

2017/18 BUDGET DOCUMENT



“A Municipality in Pursuit of Excellence”

ANNUAL BUDGET OF
GREATER TAUNG LOCAL
MUNICIPALITY

2017/18 TO 2019/20

MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Table of contents	Page
PART 1 – ANNUAL BUDGET	
1.1 MAYOR’S REPORT & SPEECH	5
1.2 COUNCIL RESOLUTIONS	9
1.3 EXECUTIVE SUMMARY	11
1.4 OPERATION REVENUE FRAMEWORK	13
1.5 OPERATION EXPENDITURE FRAMEWORK	15
1.6 CAPITAL EXPENDITURE	16
1.7 ANNUAL BUDGET TABLE (A1 SCHEDULE)	18
PART 2 – SUPPORTING DOCUMENTATION	
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	31
2.2 OVERVIEW ON FUNDING THE BUDGET	31
2.3 DISCLOSURE OF SALARIES; ALLOWANCES AND OTHER BENEFITS	32
2.4 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	33
2.5 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	36
2.6 OVERVIEW OF BUDGET RELATED POLICIES	36
2.7 OVERVIEW OF BUDGET ASSUMPTIONS	39
2.8 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	42
2.9 EXPENDITURE ON GRANTS AND RECONCILIATION OF UNSPENT FUNDS	44
2.10 CAPITAL EXPENDITURE DETAILS	45
2.11 ANNUAL BUDGETS AND SDBIP'S – INTERNAL DEPARTMENTS	45
2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	59
2.13 LEGISLATION COMPLIANCE STATUS	59
2.14 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	63
2.15 OTHER SUPPORTING DOCUMENTS (ANNEXURES)	64

LIST OF TABLES

Table 1	Consolidated Overview of the proposed 2017/18 MTREF	12
Table 2	Summary of 2017/18 MTREF	13
Table 3	Operating Grants	14
Table 4	Operating Expenditure by Type	15
Table 5	Capital Expenditure	16
Table 6	MBRR Table 19 Expenditure on Transfer and Grants Programmes	17
Table 7	MBRR Table A1 Budget Summary	19
Table 8	MBRR Table A2 Budget Financial Performance (Rev & Exp by Standard Class)	20
Table 9	MBRR Table A3 Budget Financial Performance (Rev & Exp by Mun Vote)	21
Table 10	MBRR Table A4 Budget Financial Performance (Rev by Source & Exp by Type)	22
Table 11	MBRR Table A5 Budget Capital Expenditure by Vote.....	24
Table 12	MBRR Table A6 Budgeted Financial Position	25
Table 13	MBRR Table A7 Budgeted Cash Flow Statement	26
Table 14	MBRR Table A8 Cash Backed Reserves/Accumulated Surplus Recon	27
Table 15	MBRR Table A9 Asset Management	28
Table 16	MBRR Table A10 Basic Service Delivery Measurement	30
Table 17	MBRR Table SA10 Funding Measurement	31
Table 18	MBRR Table SA22 Disclosure on Salaries, Allowances & Benefits	32
Table 19	MBRR Table SA25 Budgeted Monthly Revenue & Expenditure	33
Table 20	MBRR Table SA26 Budgeted Monthly Revenue & Expenditure (Mun Vote)	34
Table 21	MBRR Table SA27 Budgeted Monthly Revenue & Expenditure (Func Class)	34
Table 22	MBRR Table SA28 Budgeted Monthly Capital & Expenditure (Mun Vote)	35
Table 23	MBRR Table SA29 Budgeted Monthly Capital & Expenditure (Func Class)	35
Table 24	MBRR Table SA30 Budgeted Monthly Cash Flow	36
Table 25	Rates & Taxes Tariffs for 2017/2018	39
Table 26	MBRR Table SA36 Detailed Capital Budget	45
Table 27	Greater Taung Local Municipality Top Layer SDBIP 2017/2018	50

PART 1 ANNUAL BUDGET

Purpose of the Approval of the Annual Budget for the Financial Year 2017/2018

The purpose of the report is to submit the budget for 2017/2018 to Council in line with the provisions of the Municipal Finance Management Act section 24(1) that stipulate that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

1.1 MAYOR'S REPORT

Honourable Speaker of the council: Cllr Ebusang Tladi

Chief whip of the ANC, party in majority Cllr Malepe

My colleagues in the executive committee in council

Fellow councillors

Magosi a rona a a tlotlegang

Distinguished guests

The Municipal Manager and Officials

Comrades and compatriots

And you ladies and gentlemen

During his address at the third, presidential local government summit on the 06th April 2017, the minister of local government his excellency the minister of local government and traditional affairs minister des van Rooyen said;

“The improvement of the people’s lives can be achieved through the provision of basic services, development and growth of the economy, recognising and harnessing the skills potential of people living in the municipality, job creation, and mobilising the people to make their own contribution to improve their living conditions”

The minister was in fact referring us to phase (2) two of back to basic approach namely,

-putting people first and engaging with communities

-delivering basic services

-good governance

-sound financial management

-building capable financial institutions.

Honourable speaker and fellow councillors,

During his state of the province address on the 24 February 2017 here in Taung the honourable Premier of Bokone Bophirima Tonakgolo Mahumapelo did mention that the concrete plans of the fifth administration will move with speed to implement those plans that will enhance growth through VTSD act setsokotsane, saamtrek and saamwerk. we are required to support growth through VTSD by observing guidelines of chamber of commerce that are ward based and finally to assist growth and economic boost of economic growth. as greater Taung local municipality we have already

moved and adopted a 30% of local procurement of all our projects, this will enable growth of our smme's all our economic interventions should be in line with our most prestigious principle of radical economic transformation that intends to boost economic growth of our masses and previously disadvantaged communities. Our efforts should without failure be an enhancement to the national development plan (NDP).

I am required by law namely chapter 6, section 42 of the municipal system act number 32 of 2000 and chapter 7 of municipal finance management act of number 56 of 2003 that deals with responsibility of the mayor which outlines the process in which broader consultations with communities and stakeholders must be done.

And finally chapter 4, section 16 & 17 of the municipal finance management act number 56 of 2003 which deals specifically with tabling of this budget. The mayor is also required to consult with communities particularly on IDP, budget and to respond to issues that has been raised by all communities and stakeholders.

I am also required to table this budget to this council for financial year 2017/2018 as guided by national treasury guidelines with specific emphasis to municipal standard charts of account (mSCOA). The mSCOA arrangement and guidelines are of utmost compliance element. These processes are also underpinned by chapter 5 of municipal act number 32 of 2000 which deals with preparation, implementation and review of the Integrated Development Plan (IDP). Secondly it also deals with establishment, implementation and review of its performance management systems.

Honourable speaker and fellow councillors

On the 26 April 2017 this municipal council adopted the mayoral participation programme through imbizos, this public meetings was to facilitate the accountability of local public representatives to our communities. Chapter 4 of the municipal systems act requires of a municipality to encourage and create the conditions for local communities to participate in the affairs of the local municipality. This mayoral imbizos were scheduled from 03 until 19 May 2017 where meetings were convened in clusters system. These imbizos were a success and well attended by our communities. Our communities have spoken, raised genuine concerns, advised us and it is upon us to act appropriately. We definitely need to accelerate our service delivery to our communities. I also wish to thank our communities by assisting us to conduct incident free imbizo meetings, they must not allow to be denied their right to interact with government by a very few individuals with irresponsible, undue and selfish interests. Lastly let me warn those individuals that we are to represent and protect the interest of our communities regardless of political affiliation. On behalf of this council I wish to extend special appreciation to magosi a rona for support and role they played during the imbizo meetings, we are currently proud and humbled by cordial and mutual relationships between ourselves and our traditional councils. During my first hundred days in office I had engagements with all three traditional councils under the leadership of dikgosikgolo and the aim of those three separate engagements was to promote respect, cooperation and joint efforts on local developmental plans. Lastly still on public participation meetings I also wish to thank sector departments and public entities for their sterling support and contribution in terms of concerns affecting their respective institutions. The majority of the community members have appreciated work done by this municipality and acknowledge that we operate from very low revenue collection and that we are more dependent on grants.

Honourable speaker, fellow councillors and compatriots,

Most of the communities have confirmed their priorities as finalized in their respective community based planning meetings, some of them have requested for changes and my humble plea is that we

should allow discussions between affected ward councillors and those communities in quest of peaceful resolutions. Allow me to share with you general highlights of communities concerns;

1. Access to land has been identified as an important need by the majority of our community members.
2. Lack or poor monitoring of both led and infrastructure projects.
3. Lack of maintenance on municipal access roads.
4. Incomplete or prolonged projects.
5. Lack/interrupted supply of water
6. Quality of water.
7. Lack /insufficient houses
8. Lack/insufficient toilets (VIP)

There were some other issues that do relate to both provincial and national departments and are being handled by relevant authorities.

Honourable speaker and fellow councillors,

We need to attract investment that will create economic growth to address issues of poverty, unemployment and inequality. We need to utilize our own resources also like agriculture to push back the frontiers of poverty and inequality. We need to develop mechanism of accelerating functionality of tourist attraction areas like our own international heritage site, Taung skull, and many more sites. We are extremely mindful that beneficiaries to direct economic beneficiaries and spin offs should be our local communities. We must create and develop cream of recognisable local entrepreneurship that should be able to create sustainable growth and job creation.

We are committed as a council to play a very critical oversight responsibility through proper functionality of portfolio committees and Municipal Public Accounts Committee (MPAC). This council had a responsibility to create corrupt free environment that seeks to promote accountability in the administration.

Honourable speaker our focus areas as on our Integrated Development Plan are as follows;

1. To eradicate poverty by continuing to address the basic needs of our people especially water, sanitation, electricity and transport infrastructure.
2. To strengthen our people's livelihood strategies by creating economic opportunity through the promotion of local economic development.
3. To accelerate the transformation of our municipality to focus on service delivery, batho-pele principles values, community empowerment and local economic development.
4. To mobilise, organize, educate and inform our people to empower them to participate meaningfully in our collective effort to build a better life for all.
5. To ensure the financial, environmental and social sustainability of our programmes and our institution.

Honourable speaker let me take this opportunity to present the following 2016/2017 highlights of both the district and local municipality

District service delivery programmes and projects;

- ✓ Greater Taung rural sanitation: 620 VIP toilets have been installed in Madipelesa and Lokgabeng at a budget of R 10 million.
- ✓ Greater Taung: bulk water supply upgrading Taung phase 2e2-bulk water distribution to Baga- Maidi tribal authority area at a budget of R 12, 3 million.
- ✓ Greater Taung bulk water supply upgrading Taung phase 2d building of new water purification works and storage facilities and bulk pipelines and pump stations in Taung at a budget of R 239.6 million.
- ✓ Greater Taung bulk water supply upgrading Taung phase 2c raw water gravity pipe line from Taung dam to new water treatment plant at a budget of R 69,4 million.

Performance highlights by greater Taung local municipality (Municipal Infrastructure Grant) of 2016/2017

1. 25 high mast lights installed at wards 7, 9, 11, 12 and 14 at a budget of r6.9 million.
2. Chiefs court bridge project that is still on going at a budget of r7, 2 million.
3. Construction of Seoding community hall at budget of r6 million
4. Construction of Maphoitsile community hall at a budget of r6 million
5. Moretele access road at a budget of r11 million
6. Matlahako access road at a budget road at a budget of r10.5 million.
7. Lower Majeakgoro Stormwater channel at a budget of r8.4 million

We are also recording remarkable success on the following aspects;

Office of the Speaker

I would to appreciate work done by the honourable speaker on the election and orientation of newly elected ward committees. I am truly impressed by performance of ward committees through continuous reporting and interaction with their communities. The issue relating to ward councillors offices and resources will receive special attention during 2017/2018 financial year. I am also impressed about our council operation and sittings. Ke a leboga mmusakgotla Tladi le makahnselara a rona.

Office of the Mayor

- The office of the mayor coordinates the municipal executive committee and thanks to the commitment and dedication of members of the executive committee.
- Local and district IGR meetings coordinated and attended
- Provide support to community development workers and setsokotsane programmes through the operation centres.
- One meeting held with each traditional council under leadership of kgosikgolo Motlhabane, kgosikgolo Mothibi and kgosikgolo Mankurwane.
- The mayor has provided messages of support to pupils at Walter Letsie High School and Kgosietsile Lethola.
- Managed to visit three clinics; Dryharts, Kgomotso and Khudutlou clinics in quest to verify level of service to our communities in accordance of batho pele principles.

- Facilitated 12 community works programme beneficiaries to assist Taung district hospital as they still experience budgetary constraints to employ workforce.
- Special programme in the office of the mayor had successfully launched and support the following for: a reconciliation healing and renewal forum; women forum; disability forum older people's forum military veteran's structure.

Recommendations:

1. Each department must develop and an action plan that will assist resolution of concerns raised during the mayoral imbizos.
2. The office of the Mayor is provided with progress reports on quarterly basis.
3. The progress reports should be availed to all wards structures led by ward councillors.
4. The performance management unit should play a technical role in terms monitoring and evaluation.
5. The executive committee should determine the schedule of the next bpublic participation meetings (feedback sessions) to stakeholders and communities.
6. This council through due processes should develop and approve public participation policy.
7. To contribute to development of provincial development plan.

1.2 COUNCIL RESOLUTIONS

Background

That Council takes note that section 16 of the MFMA requires that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

- (a) That Council takes note of the contents of the Budget of Greater Taung Local Municipality for the financial year 2017/2018 and indicative of the two projected outer years 2019 and 2020.
- (b) That Council recommends approval of the Budget for the 2017/18 financial year as follows:
 - 1.1 Operating revenue by source at an amount of R234 097 000
 - 1.2 Operating expenditure by vote at an amount of R247 811 000
 - 1.3 Capital Revenue by vote at an amount of R74 287 000
 - 1.4 Capital expenditure by vote at an amount of R12 616 000
 - 1.5 Capital expenditure by vote at an amount of R61 671 000(Grants)
- (c) That transfers within a vote be approved at the level of the Municipal Manager in order to reduce bottle-necks and ensure smooth operation of the municipality; and report be submitted to Council on quarterly basis of any transfers made during the financial year.
- (d) That transfer of funds from capital budget should be approved by the municipal manager through consultation with the mayor.

- (e) That Council recommends tariff increases as follows with affect from 01 July 2017:

Property rates	0%
Water	6.4 %
Electricity	2.2 - 3 %
Refuse	6.4 %
Sanitation	6.4 %
Other services	as and when a need arise

- (f) That Council takes note that NERSA guideline indicate 2.2% increase, how-ever to align with the guided tariffs, some tariffs was increased with 3%.
- (g) That Council recommends approval of the current indigent households for 2016/2017 on the register and for 2017/2018. The office of Chief Financial Officer perform verifications to all current indigent households to confirm their status in order to reduce time delay caused in applying verifying, processing and approval. New applications and those whom have not been approved can make new applications.
- (h) That the threshold for indigent customers be increased to amount of R3200.
- (i) That allowances for ward committee members be R1 000 per month on the condition of at least one sitting
- (j) That Council further recommends approval of the Salary Budget which is at 43%.
- (k) That the 2017/2018 Tariff Schedule be approved
- (l) That Revenue Strategies be enhanced and implemented to collect outstanding monies due to Greater Taung Local Municipality
- (m) That a Catering Policy be developed to be in line with Circular 82 (Cost Containment)
- (n) That the following budget related policies, distributed by cd and workshopped on 17 May 2017 be approved:
- Asset Management Policy
 - Cash Management & Investment Policy
 - Credit Control & Debt Collection Policy
 - Funding & Reserve (Budget) Policy
 - Indigent Policy
 - Property Rates Policy
 - Supply Chain Management Policy
 - Tariff Policy
 - Virement Policy

Vision

A prosperous community that is socially, culturally and economically sustainable.
Morafe o o atlegileng o o botsalano o o ipelang ka setso le moruo o o tsepameng.
'n Welvaarende gemeenskap wat sosiaal, kultureel en ekonomies volhoubaar is.

Mission

Initiating and promoting sustainable socio-economic growth, that is accessible to development through agriculture, heritage and mining.

Value Statement

- Batho
- Constitution
- Transparency
- Integrity
- Professionalism

1.3 Executive Summary

Greater Taung Local Municipality (GTLM) is situated within Dr Ruth S Mompoti District Municipality in the North West Province. Being the largest local municipality in the district with a total population of 167 827 of the entire district of 459 358 (STATSSA Community Survey 2016), challenges of unemployment rate at 23% impact on service delivery as more than 90% constitute rural area with high indigent rate. The municipality is graded at 3 in terms of determination of upper limits for councillor's allowances and salaries.

Budget Assumptions

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's service delivery priorities have been reviewed through the adjustment budget, as part of this year's planning and budget preparation process. The results of this review were incorporated into the municipality's adjustment budget.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken steps to ensure that council adopts cost containment measures as per the NT circulars.

Cash flow projections were based on the actual collection rate as at 30 January 2017. Employee related costs were increased by 8%; the municipality's payroll is sitting at 43% of the total operating budget. Because of the small municipality, we rather add additional duties to a certain post than to fill a new position which is not yet fully functional to require a full-time appointment. Therefore the 8% increase.

The overall tariff rate of property rates did not increase for 2017/18 but was increased in 2016/17 and budget was adjusted, due to government properties tariff and additional government properties in rural areas (clinics, schools and others). Revenue for gone was overstated in 2016/17 and corrected in 2017/18.

Service charge for all services income (Electricity, Water, Sanitation and Refuse collection) were increased by 6.4%. The 2017/18 budget for service income was based on the actual income for service charges and will be phased-in in outer years. The electricity payable to Eskom is projected to be R 3 817 000, this assumption is based on the current year's actual expenditure which is lower because of pre pay meter installations.

The Land Use Development Department is yet to identify all properties of GTLM rented out to consumers and draft contracts thereto, only then can the municipality recognize income from rental of houses. This is per the Auditor General's recommendations.

Income from rental of facilities (Halls, Stadiums and other facilities) is entailed in the draft 2017/18 Tariff Schedule. National Treasury's MFMA Circular No. 85 and 86 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- GTLM has a challenge of implementing capital year plans, currently the municipality is sitting at very low expenditure on capital assets and projects this does not include MIG projects
- Procurement plans from departments are not aligned with the approved budget
- The municipality is experiencing delays with procurement due to the Supply Chain Management procurement processes
- Failure to collect money due to the municipality – Outstanding Debtors = R60m+.
- Non- reconciliation of reports between the finance department and technical departments
- Retention register not journalized into the financial system
- Roll-over not applied for timeously and correct procedures not followed

The following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1

Description	Adjustment B 2016/17	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Total Operating Income	222 042 766	234 097 000	237 531 000	242 495 000
Total Operating Expenditure	225 350 000	247 811 000	260 633 000	279 166 000
Surplus/(Deficit) for the year	(3 307 000)	(13 714 000)	(23 102 000)	(36 671 000)
Total Capital Transfers	62 279 000	61 671 000	59 896 000	79 836 000
Total Capital Expenditure	62 279 000	74 287 000	71 346 000	90 491 000

Total operating revenue has increased by R12m for the 2017/18 financial year when compared to the 2016/17 Adjustment Budget. For the two outer years, operational revenue will increase by R3.5m and R5m respectively.

Total operating expenditure for the 2017/18 financial year has been appropriated at R248m and translates into a budgeted deficit of R13.7m. When compared to the 2016/17 Adjustments Budget, operational expenditure has grown by R22m in the 2017/18 budget and by R13m and R19m for each of the respective outer years of the MTREF. Surpluses will be used to ensure cash backing of under collecting of debtors and funding of municipal (own) capital projects.

The capital budget is R74m for 2017/18 which is higher than 2016/17. This is due to a bigger allocation of MIG as per the 2017/18 DoRA. The municipality has decreased capital expenditure from own funds due to non-spending by departments on capital assets and projects.

For Greater Taung Local Municipality to continue improving the quality of services provided to its community, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

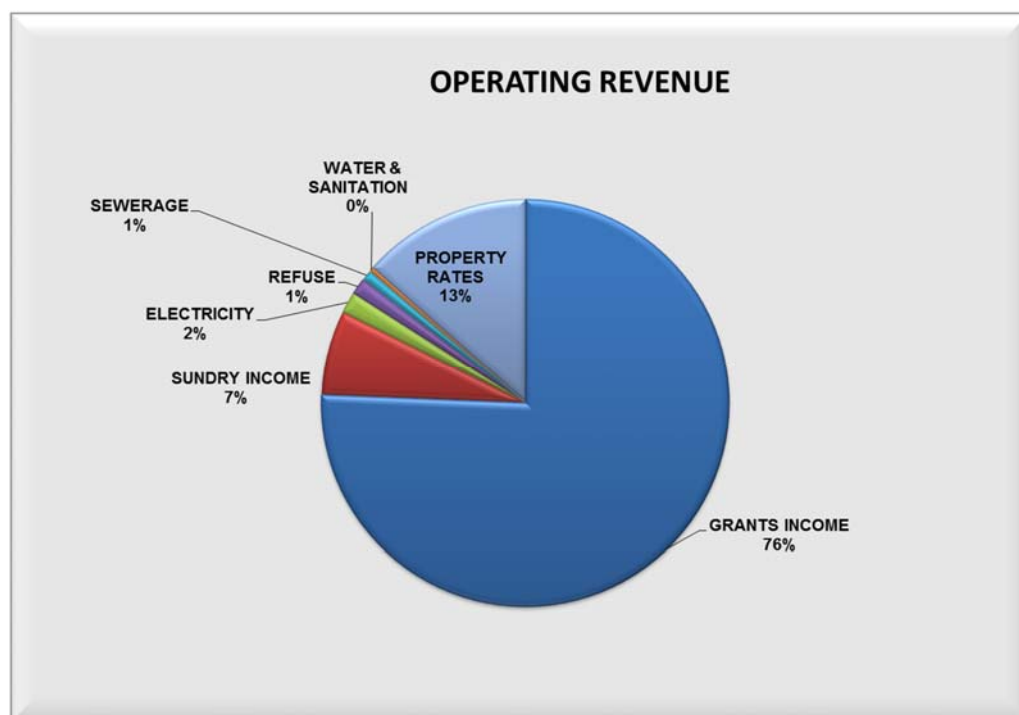
- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 % annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

1.4 Operating Revenue Framework (Table A4)

The following table is a summary of the 2017/18 MTREF (classified by main **revenue source**). Monthly revenue projection as per Table A4 on page 22.

Table 2

DESCRIPTION	2016/2017	2017/2018	2018/2019	2019/2020
Property Rates	26 800 000	31 500 000	32 000 000	32 500 000
Electricity	3 769 700	4 018 000	4 335 000	4 680 000
Refuse	2 923 700	3 099 000	3 285 000	3 482 000
Sanitation	1 818 000	1 927 000	2 043 000	2 165 000
Water	750 000	795 000	843 000	893 000
Sundry Income	15 173 566	15 696 000	15 700 000	15 700 000
Grant Transfers	214 572 000	177 062 000	178 550 000	181 494 000



In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

In the 2017/18 financial year, revenue from rates and services charges totaled R41m.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1 (see A1 Schedule attached). Operating grants and transfers totals R239m in the 2017/18.

The following table gives a breakdown of the various **operating grants** and subsidies allocated to the municipality over the medium term:

Table 3

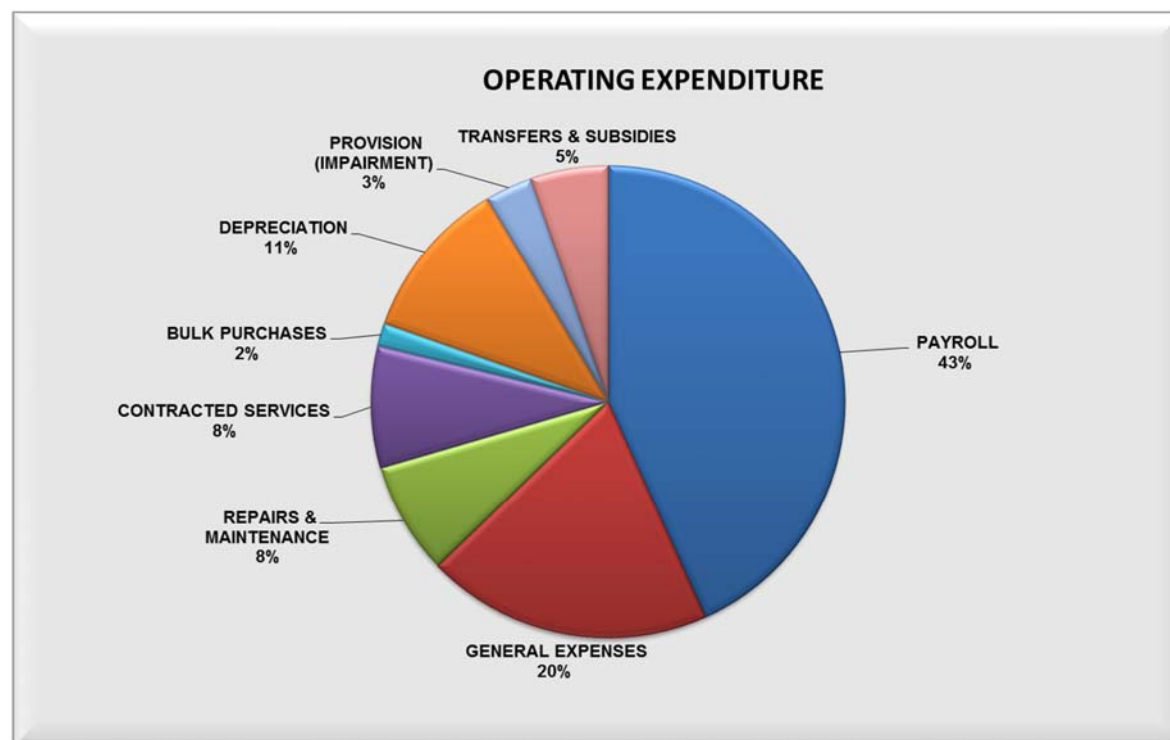
DESCRIPTION	2016/2017	2017/2018	2018/2019	2019/2020
National Grants	169 921 000	176 442 000	1779 930 000	180 874 000
Equitable Share	164 554 000	170 353 000	175 330 000	178 014 000
Finance Management	2 010 000	2 345 000	2 600 000	2 860 000
MIG	1 932 000	2 435 000	0	0
EPWP	1 425 000	1 309 000	0	0
Provincial Grants	620 000	620 000	620 000	620 000
Sports & Recreation	620 000	620 000	620 000	620 000

1.5 Operating Expenditure Framework (Table A4)

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of **operating expenditure**). Monthly Expenditure projections as Table A4 page 22.

Table 4

EXPENDITURE BY TYPE	2016/2017	2017/2018	2018/2019	2019/2020
Employee Cost	80 284 000	87 461 000	94 383 000	101 776 000
Remuneration to Cllrs	18 513 000	19 392 000	20 828 000	22 379 000
Debt Impairment	800 000	8 000 000	8 000 000	8 000 000
Depreciation	24 599 000	27 452 000	29 099 000	30 844 000
Finance Charges	230 000	815 000	818 000	820 000
Bulk Charges	3 900 000	3 817 000	4 122 000	4 452 000
Other Materials	12 997 000	19 050 000	21 673 000	22 979 000
Contracted Services	24 586 000	20 568 000	21 380 000	40 257 000
Transfers & Subsidies	12 631 000	13 075 000	9 968 000	10 615 000
Other Expenditure	39 610 000	48 181 000	50 362 000	55 026 000
Disposal of PPE	0	0	0	0



The municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue)
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The budgeted allocation for employee related costs for the 2017/18 financial year totals R107m, which equals 43% of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been budgeted at 8% fir 2017/2018 financial year and also included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

1.6 Capital Expenditure (Table A5)

The following table provides a breakdown of budgeted **capital expenditure** by vote:

Table 5

EXPENDITURE BY TYPE	2016/2017	2017/2018	2018/2019	2019/2020
Electricity	7 030 000	6 642 000	8 000 000	25 000 000
Sewerage & Water	3 790 000	3 300 000	2 000 000	2 000 000
Roads	28 962 000	23 235 000	52 041 000	54 739 000
Refuse	450 000	2 210 000	6 560 000	6 000 000
Mayor,council & MM	5 780 000	2 616 000	140 000	0
Land use & Development	80 000	51 000	40 000	40 000
Library Service & Civic Build	13 302 000	19 968 000	1 900 000	2 070 000
Parks and Recreation	1 975 000	16 070 000	450 000	450 000
Financial Management	780 000	60 000	60 000	60 000
Corporate Services	130 000	135 000	155 000	132 000
TOTAL	62 279 000	74 287 000	71 346 000	90 491 000

Table 6 Expenditure on allocations and grants programmes (SA19)

NW394 Greater Taung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	176,442	177,930	180,874
Local Government Equitable Share								170,353	175,330	178,014
Finance Management								2,345	2,600	2,860
EPWP Incentive								1,309	-	-
MIG (PMU Operational)								2,435		
Provincial Government:		-	-	-	-	-	-	620	620	620
Sport and Recreation								620	620	620
MIG (PMU Operational)										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		-	-	-	-	-	-	177,062	178,550	181,494
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	60,971	59,096	78,936
Municipal Infrastructure Grant (MIG)								60,971	51,096	53,936
Integrated National Electrification Programme								-	8,000	25,000
Provincial Government:		-	-	-	-	-	-	700	800	900
Sports and Recreation								700	800	900
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	61,671	59,896	79,836
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	-	-	-	238,733	238,446	261,330

1.7 Annual Budget Table (Parent Municipality)

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from the accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is not improving but indicates that the necessary cash resources are available to fund the Capital Budget.
4. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 7

NW394 Greater Taung - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	31,500	32,000	32,500
Service charges	-	-	-	-	-	-	-	9,839	10,506	11,220
Investment revenue	-	-	-	-	-	-	-	7,000	7,420	7,865
Transfers recognised - operational	-	-	-	-	-	-	-	177,062	178,550	181,494
Other own revenue	-	-	-	-	-	-	-	8,696	9,055	9,416
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	234,097	237,531	242,495
Employee costs	-	-	-	-	-	-	-	87,461	94,383	101,776
Remuneration of councillors	-	-	-	-	-	-	-	19,392	20,828	22,379
Depreciation & asset impairment	-	-	-	-	-	-	-	27,452	29,099	30,844
Finance charges	-	-	-	-	-	-	-	815	818	820
Materials and bulk purchases	-	-	-	-	-	-	-	22,867	25,795	27,431
Transfers and grants	-	-	-	-	-	-	-	13,075	9,968	10,633
Other expenditure	-	-	-	-	-	-	-	76,749	79,742	85,283
Total Expenditure	-	-	-	-	-	-	-	247,811	260,633	279,166
Surplus/(Deficit)	-	-	-	-	-	-	-	(13,714)	(23,102)	(36,671)
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	61,671	59,896	79,836
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	47,957	36,794	43,165
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	47,957	36,794	43,165
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	74,287	71,346	90,491
Transfers recognised - capital	-	-	-	-	-	-	-	61,671	57,341	77,139
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	12,616	14,005	13,352
Total sources of capital funds	-	-	-	-	-	-	-	74,287	71,346	90,491
Financial position										
Total current assets	-	-	-	-	-	-	-	193,234	190,052	163,388
Total non current assets	-	-	-	-	-	-	-	614,687	686,083	776,624
Total current liabilities	-	-	-	-	-	-	-	21,687	21,761	21,817
Total non current liabilities	-	-	-	-	-	-	-	22,002	22,002	22,002
Community wealth/Equity	-	-	-	-	-	-	-	764,231	832,371	896,193
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	77,854	69,914	65,678
Net cash from (used) investing	-	-	-	-	-	-	-	(74,337)	(71,396)	(90,541)
Net cash from (used) financing	-	-	-	-	-	-	-	(1,600)	(1,700)	(1,800)
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	141,181	137,999	111,335
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	141,181	137,999	111,335
Application of cash and investments	-	-	-	-	-	-	-	(2,262)	(2,355)	(2,460)
Balance - surplus (shortfall)	-	-	-	-	-	-	-	143,442	140,354	113,795
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	487,255	487,255	487,255	487,255
Depreciation	-	-	-	-	-	-	27,452	27,452	29,099	30,844
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	19,050	19,050	21,673	22,979
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	6,759	6,759	7,165	7,595
Revenue cost of free services provided	-	-	-	-	-	-	5,000	5,000	5,200	5,200
Households below minimum service level										
Water:	-	-	-	-	-	-	2	2	2	2
Sanitation/sewerage:	-	-	-	-	-	-	32	32	32	32
Energy:	-	-	-	-	-	-	6	6	6	6
Refuse:	-	-	-	-	-	-	45	45	45	45

Table 8

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 4 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Governance and Administration.

NW394 Greater Taung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	153,648	138,663	137,443
Executive and council		-	-	-	-	-	-	54,601	57,876	61,349
Finance and administration		-	-	-	-	-	-	99,048	80,787	76,094
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	17,344	18,405	19,525
Community and social services		-	-	-	-	-	-	8,709	9,252	9,822
Sport and recreation		-	-	-	-	-	-	8,635	9,153	9,703
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	77,353	81,995	86,914
Planning and development		-	-	-	-	-	-	8,272	8,769	9,295
Road transport		-	-	-	-	-	-	69,081	73,226	77,619
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	47,422	58,364	78,449
Energy sources		-	-	-	-	-	-	17,980	27,155	45,368
Water management		-	-	-	-	-	-	3,570	3,784	4,011
Waste water management		-	-	-	-	-	-	10,577	11,212	11,885
Waste management		-	-	-	-	-	-	15,295	16,212	17,185
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	295,768	297,427	322,331
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	163,256	171,008	163,841
Executive and council		-	-	-	-	-	-	54,052	57,295	60,733
Finance and administration		-	-	-	-	-	-	109,204	113,713	103,108
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	13,646	14,462	15,327
Community and social services		-	-	-	-	-	-	6,834	7,244	7,679
Sport and recreation		-	-	-	-	-	-	6,812	7,218	7,648
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	25,505	27,035	28,657
Planning and development		-	-	-	-	-	-	9,248	9,803	10,391
Road transport		-	-	-	-	-	-	16,257	17,232	18,266
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	45,404	48,128	71,341
Energy sources		-	-	-	-	-	-	18,044	19,126	40,600
Water management		-	-	-	-	-	-	3,104	3,290	3,487
Waste water management		-	-	-	-	-	-	9,274	9,830	10,420
Waste management		-	-	-	-	-	-	14,983	15,882	16,835
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	247,811	260,633	279,166
Surplus/(Deficit) for the year		-	-	-	-	-	-	47,957	36,794	43,165

Table 9

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water trading services.

NW394 Greater Taung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Community and Social Services		-	-	-	-	-	-	8,709	9,252	9,822
Vote 2 - Energy Sources		-	-	-	-	-	-	17,980	27,155	45,368
Vote 3 - Executive and Council		-	-	-	-	-	-	54,600	57,876	61,349
Vote 4 - Finance and Administration		-	-	-	-	-	-	99,048	80,787	76,094
Vote 5 - Planning and Development		-	-	-	-	-	-	8,272	8,769	9,295
Vote 6 - Road Transport		-	-	-	-	-	-	69,081	73,226	77,619
Vote 7 - Sports and Recreation		-	-	-	-	-	-	8,635	9,153	9,703
Vote 8 - Waste Managemnt		-	-	-	-	-	-	15,295	16,212	17,185
Vote 9 - Waste Water Management		-	-	-	-	-	-	10,577	11,212	11,885
Vote 10 - Water Managemnt		-	-	-	-	-	-	3,570	3,784	4,011
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	295,768	297,427	322,331
Expenditure by Vote to be appropriated	1									
Vote 1 - Community and Social Services		-	-	-	-	-	-	6,834	7,244	7,679
Vote 2 - Energy Sources		-	-	-	-	-	-	18,044	19,126	40,600
Vote 3 - Executive and Council		-	-	-	-	-	-	54,052	57,295	60,733
Vote 4 - Finance and Administration		-	-	-	-	-	-	109,204	113,713	103,108
Vote 5 - Planning and Development		-	-	-	-	-	-	9,248	9,803	10,391
Vote 6 - Road Transport		-	-	-	-	-	-	16,257	17,232	18,266
Vote 7 - Sports and Recreation		-	-	-	-	-	-	6,812	7,218	7,648
Vote 8 - Waste Managemnt		-	-	-	-	-	-	14,983	15,882	16,835
Vote 9 - Waste Water Management		-	-	-	-	-	-	9,274	9,830	10,420
Vote 10 - Water Managemnt		-	-	-	-	-	-	3,104	3,290	3,487
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	247,811	260,633	279,166
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	47,957	36,794	43,165

Table 10**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Total operating revenue has increased by R12m for the 2017/18 financial year when compared to the 2016/17 Adjustment Budget. For the two outer years, operational revenue will increase by R3.5m and R5m respectively.

Total operating expenditure for the 2017/18 financial year has been appropriated at R248m and translates into a budgeted deficit of R13.7m which included non-cash items adding R35m. When compared to the 2016/17 Adjustments Budget, operational expenditure has grown by R22m in the 2017/18 budget and by R13m and R19m for each of the respective outer years of the MTREF. Surpluses will be used to ensure cash backing of under collecting of debtors and funding of municipal (own) capital projects.

The capital budget is R74m for 2017/18 which is higher than 2016/17. This is due to a bigger allocation of MIG as per the 2017/18 DoRA. The municipality has decreased capital expenditure from own funds due to non-spending by departments on capital assets and projects.

NW394 Greater Taung - Table A4 Budgeted Financial Performance (revenue and expenditure)

WV394 Greater Taitā - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	31,500	32,000	32,500
Service charges - electricity revenue	2	-	-	-	-	-	-	-	4,018	4,335	4,680
Service charges - water revenue	2	-	-	-	-	-	-	-	795	843	893
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	1,927	2,043	2,165
Service charges - refuse revenue	2	-	-	-	-	-	-	-	3,099	3,285	3,482
Service charges - other									-	-	-
Rental of facilities and equipment									596	632	672
Interest earned - external investments									7,000	7,420	7,865
Interest earned - outstanding debtors									5,641	5,845	6,045
Dividends received									-	-	-
Fines, penalties and forfeits									295	323	347
Licences and permits									-	-	-
Agency services									-	-	-
Transfers and subsidies									177,062	178,550	181,494
Other revenue	2	-	-	-	-	-	-	-	2,164	2,255	2,352
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	234,097	237,531	242,495
Expenditure By Type											
Employee related costs	2	-	-	-	-	-	-	-	87,461	94,383	101,776
Remuneration of councillors									19,392	20,828	22,379
Debt impairment	3								8,000	8,000	8,000
Depreciation & asset impairment	2	-	-	-	-	-	-	-	27,452	29,099	30,844
Finance charges									815	818	820
Bulk purchases	2	-	-	-	-	-	-	-	3,817	4,122	4,452
Other materials	8								19,050	21,673	22,979
Contracted services		-	-	-	-	-	-	-	20,568	21,380	22,257
Transfers and subsidies		-	-	-	-	-	-	-	13,075	9,968	10,633
Other expenditure	4, 5	-	-	-	-	-	-	-	48,181	50,362	55,026
Loss on disposal of PPE									-	-	-
Total Expenditure		-	-	-	-	-	-	-	247,811	260,633	279,166
Surplus/(Deficit)		-	-	-	-	-	-	-	(13,714)	(23,102)	(36,671)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									61,671	59,896	79,836
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	47,957	36,794	43,165
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	47,957	36,794	43,165
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	47,957	36,794	43,165
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	47,957	36,794	43,165

Table 11**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multi-year appropriations have been done.
3. Single-year capital expenditure has been appropriated at R74 287 000 for the 2017/18 financial year and R71 346 000 and R90 491 000 respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.
5. The capital programme is funded from national- and provincial grants and transfers and internally generated funds from previous year surpluses.

NW394 Greater Taung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 2 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Managemnt		-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 10 - Water Managemnt		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Community and Social Services		-	-	-	-	-	-	-	37,879	8,500	8,110
Vote 2 - Energy Sources		-	-	-	-	-	-	-	6,642	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	2,616	140	-
Vote 4 - Finance and Administration		-	-	-	-	-	-	-	745	215	192
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	23,585	60,041	79,739
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	420	450	450
Vote 8 - Waste Managemnt		-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	2,400	2,000	2,000
Vote 10 - Water Managemnt		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	74,287	71,346	90,491
Total Capital Expenditure - Vote		-	-	-	-	-	-	-	74,287	71,346	90,491
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	-	-	-	3,361	355	192
Executive and council									165	160	
Finance and administration									3,196	195	192
Internal audit											
Community and public safety		-	-	-	-	-	-	-	38,248	8,910	8,520
Community and social services									37,128	7,660	7,170
Sport and recreation									1,120	1,250	1,350
Public safety											
Housing											
Health											
Economic and environmental services		-	-	-	-	-	-	-	23,636	52,081	54,779
Planning and development									51	40	40
Road transport									23,585	52,041	54,739
Environmental protection											
Trading services		-	-	-	-	-	-	-	9,042	10,000	27,000
Energy sources									6,642	8,000	25,000
Water management											
Waste water management									2,400	2,000	2,000
Waste management											
Other											
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	74,287	71,346	90,491
Funded by:											
National Government									60,971	56,541	76,239
Provincial Government									700	800	900
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	61,671	57,341	77,139
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									12,616	14,005	13,352
Total Capital Funding	7	-	-	-	-	-	-	-	74,287	71,346	90,491

Table 12**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

NW394 Greater Taung - Table A6 Budgeted Financial Position

W394 Greater Taahing - Table A0 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash									33,548	9,652	(18,387)
Call investment deposits	1	-	-	-	-	-	-	-	107,633	128,347	129,722
Consumer debtors	1	-	-	-	-	-	-	-	38,448	38,448	38,448
Other debtors									6,486	6,486	6,486
Current portion of long-term receivables											
Inventory	2								7,119	7,119	7,119
Total current assets		-	-	-	-	-	-	-	193,234	190,052	163,388
Non current assets											
Long-term receivables											
Investments											
Investment property									21,534	21,534	21,534
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	592,671	664,067	754,608
Agricultural											
Biological											
Intangible									482	482	482
Other non-current assets											
Total non current assets		-	-	-	-	-	-	-	614,687	686,083	776,624
TOTAL ASSETS		-	-	-	-	-	-	-	807,921	876,135	940,012
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	341	341	341
Consumer deposits									400	424	430
Trade and other payables	4	-	-	-	-	-	-	-	20,696	20,696	20,696
Provisions									250	300	350
Total current liabilities		-	-	-	-	-	-	-	21,687	21,761	21,817
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	22,002	22,002	22,002
Total non current liabilities		-	-	-	-	-	-	-	22,002	22,002	22,002
TOTAL LIABILITIES		-	-	-	-	-	-	-	43,690	43,764	43,820
NET ASSETS	5	-	-	-	-	-	-	-	764,231	832,371	896,193
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									764,231	832,371	896,193
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	764,231	832,371	896,193

Table 13**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

NW394 Greater Taung - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									22,050	22,400	22,750
Service charges									6,751	7,210	7,701
Other revenue									5,972	6,331	6,712
Government - operating	1								177,062	178,550	181,494
Government - capital	1								61,671	59,896	79,836
Interest									7,000	7,420	7,865
Dividends									-	-	-
Payments											
Suppliers and employees									(188,762)	(201,106)	(229,244)
Finance charges									(815)	(818)	(820)
Transfers and Grants	1								(13,075)	(9,968)	(10,615)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	77,854	69,914	65,678
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
Payments											
Capital assets									(74,337)	(71,396)	(90,541)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(74,337)	(71,396)	(90,541)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									(1,600)	(1,700)	(1,800)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(1,600)	(1,700)	(1,800)
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	1,917	(3,182)	(26,664)
Cash/cash equivalents at the year begin:	2								139,264	141,181	137,999
Cash/cash equivalents at the year end:	2								141,181	137,999	111,335

Table 14**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

NW394 Greater Taung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	141,181	137,999	111,335
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	141,181	137,999	111,335
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	2,515	2,515	2,515
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	6,486	6,486	6,486
Other working capital requirements	3	-	-	-	-	-	-	-	(13,047)	(13,140)	(13,245)
Other provisions		-	-	-	-	-	-	-	1,784	1,784	1,784
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	-	-	-	-	-	-	(2,262)	(2,355)	(2,460)
Surplus(shortfall)		-	-	-	-	-	-	-	143,442	140,354	113,795

Table 15**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality is not in a position to meet the requirements due to its limited revenue base.

NW394 Greater Taung - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	74,287	71,396	90,541
Roads Infrastructure		-	-	-	-	-	-	14,190	48,541	51,239
Storm water Infrastructure		-	-	-	-	-	-	6,441	-	-
Electrical Infrastructure		-	-	-	-	-	-	6,642	8,000	25,000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	27,273	56,541	76,239
Community Facilities		-	-	-	-	-	-	21,920	1,900	2,070
Sport and Recreation Facilities		-	-	-	-	-	-	15,648	-	-
Community Assets		-	-	-	-	-	-	37,568	1,900	2,070
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	441	395	232
Machinery and Equipment		-	-	-	-	-	-	1,945	1,000	1,000
Transport Assets		-	-	-	-	-	-	7,060	11,560	11,000
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	14,190	48,541	51,239
Roads Infrastructure		-	-	-	-	-	-	6,441	-	-
Storm water Infrastructure		-	-	-	-	-	-	6,642	8,000	25,000
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	27,273	56,541	76,239
Community Facilities		-	-	-	-	-	-	21,920	1,900	2,070
Sport and Recreation Facilities		-	-	-	-	-	-	15,648	-	-
Community Assets		-	-	-	-	-	-	37,568	1,900	2,070
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	441	395	232
Machinery and Equipment		-	-	-	-	-	-	1,945	1,000	1,000
Transport Assets		-	-	-	-	-	-	7,060	11,560	11,000
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	-	-	74,287	71,396	90,541
ASSET REGISTER SUMMARY - PPE (WDV)	5							205,552	205,552	205,552
Roads Infrastructure								14,319	14,319	14,319
Storm water Infrastructure								5,223	5,223	5,223
Electrical Infrastructure								290	290	290
Water Supply Infrastructure								-	-	-

Table 16

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the ‘free services’ represent about 5% of total operating revenue.

NW394 Greater Taung - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	4,869	4,869	4,869
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	5,011	5,011	5,011
Using public tap (at least min.service level)	2	-	-	-	-	-	-	24,868	24,868	24,868
Other water supply (at least min.service level)	4	-	-	-	-	-	-	12,695	12,695	12,695
<i>Minimum Service Level and Above sub-total</i>								47,443	47,443	47,443
Using public tap (< min.service level)	3	-	-	-	-	-	-	1,175	1,175	1,175
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	1,168	1,168	1,168
<i>Below Minimum Service Level sub-total</i>								2,343	2,343	2,343
Total number of households	5	-	-	-	-	-	-	49,786	49,786	49,786
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	4,394	4,394	4,394
Flush toilet (with septic tank)		-	-	-	-	-	-	594	594	594
Chemical toilet		-	-	-	-	-	-	239	239	239
Pit toilet (ventilated)		-	-	-	-	-	-	14,112	14,112	14,112
Other toilet provisions (> min.service level)		-	-	-	-	-	-	480	480	480
<i>Minimum Service Level and Above sub-total</i>								19,819	19,819	19,819
Bucket toilet		-	-	-	-	-	-	68	68	68
Other toilet provisions (< min.service level)		-	-	-	-	-	-	27,323	27,323	27,323
No toilet provisions		-	-	-	-	-	-	5,061	5,061	5,061
<i>Below Minimum Service Level sub-total</i>								32,452	32,452	32,452
Total number of households	5	-	-	-	-	-	-	52,271	52,271	52,271
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	48,460	48,460	48,460
Electricity - prepaid (min.service level)		-	-	-	-	-	-	42,956	42,956	42,956
<i>Minimum Service Level and Above sub-total</i>								91,416	91,416	91,416
Electricity (< min.service level)		-	-	-	-	-	-	152	152	152
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	5,659	5,659	5,659
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>								5,811	5,811	5,811
Total number of households	5	-	-	-	-	-	-	97,227	97,227	97,227
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>								108	108	108
Removed less frequently than once a week		-	-	-	-	-	-	372	372	372
Using communal refuse dump		-	-	-	-	-	-	40,072	40,072	40,072
Using own refuse dump		-	-	-	-	-	-	4,159	4,159	4,159
Other rubbish disposal		-	-	-	-	-	-	305	305	305
No rubbish disposal		-	-	-	-	-	-	45,016	45,016	45,016
<i>Below Minimum Service Level sub-total</i>								45,016	45,016	45,016
Total number of households	5	-	-	-	-	-	-	45,016	45,016	45,016
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	666	705	750
Sanitation (free minimum level service)		-	-	-	-	-	-	366	387	411
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	8,688	9,209	9,762
Refuse (removed at least once a week)		-	-	-	-	-	-	393	417	442
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	28	30	32
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	161	171	181
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	6,366	6,748	7,153
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	204	216	229
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	6,759	7,165	7,595
Highest level of free service provided per household										
Property rates (R value threshold)								85,000	85,000	85,000
Water (kilolitres per household per month)								6	6	6
Sanitation (kilolitres per household per month)								1	1	1
Sanitation (Rand per household per month)								46	46	46
Electricity (kwh per household per month)								50	50	50
Refuse (average litres per week)								1	1	1
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								4,500	4,700	4,700
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	500	500	500
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	5,000	5,200	5,200

PART 2: SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2016
- Community Ward based planning meeting took place between September 2016 towards the beginning of December 2016
- The 2017/18 Draft Budget was tabled together with the review of the IDP in council on the 31 March 2017
- The Draft 2017/18 – 2019/20 IDP was also tabled in council on 31 March 2017 and consultative meetings were scheduled to follow during the month of May 2017
- The municipality has had consultation meetings with external Government sectors in terms of their budget allocation on 27 March 2017
- The public participation meetings were held during May 2017.
- The final budget was tabled and approved in council by 31 May 2017.

2.2 Overview of Funding the Budget

Cash flow indicates a surplus of R141 180 507 therefor Greater Taung Local Municipality is fully compliant Sec 18 of MFMA.

Furthermore Table A8 on page 22 reflected a surplus over the MTREF after taking into account all commitments as indicated.

Monthly targets for Revenue as indicated as Annexure table SA26 on page 34.

Table 17

NW394 Greater Taung Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	141,181	137,999	111,335
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	143,442	140,354	113,795
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	9.5	8.9	6.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	47,957	36,794	43,165
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(3.2%)	(3.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	69.5%	69.7%	69.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.4%	18.8%	18.3%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.1%	100.1%	100.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	3.3%	3.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.3 Disclosure on Salaries, Allowance and Benefits (SA22)

Supporting table is attached in respect of disclosure of salaries, allowances and benefits.

Councillors

On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The provision made on the 2016/2017 financial year is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase has been set at 4%. The payment of allowances to councillors for 2017/2018 will be made using the upper limit gazette available during payment of such allowances. Total budget for 2017/2018 for Councillors are R19 392 000.

Senior Officials

The total budget for 2017/2018 senior officials employed in terms of sections 56 and 57 of Municipal System Act equals R7 792 000.

Other Municipal Staff

The total budget for other Municipal staff on 2017/2018 equals R79 669 000. The total budget in respect of Councillor's allowance and officials equals R106 853 000.

Table 18

NW394 Greater Taung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages								17,952	19,388	20,939
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance								1,440	1,440	1,440
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		-	-	-	-	-	-	19,392	20,828	22,379
% increase	4	-	-	-	-	-	-	-	7.4%	7.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages								7,492	8,016	8,583
Pension and UIF Contributions								12	12	12
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3							108	108	108
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave								180	195	210
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	7,792	8,331	8,913
% increase	4	-	-	-	-	-	-	-	6.9%	7.0%
Other Municipal Staff										
Basic Salaries and Wages								50,773	54,911	59,378
Pension and UIF Contributions								10,757	11,618	12,546
Medical Aid Contributions								3,832	4,155	4,503
Overtime								500	540	585
Performance Bonus								4,794	5,178	5,520
Motor Vehicle Allowance	3							4,550	4,823	5,112
Cellphone Allowance	3							782	915	1,057
Housing Allowances	3							673	673	673
Other benefits and allowances	3							53	56	59
Payments in lieu of leave								2,735	2,953	3,190
Long service awards								120	130	140
Post-retirement benefit obligations	6							100	100	100
Sub Total - Other Municipal Staff		-	-	-	-	-	-	79,669	86,052	92,863
% increase	4	-	-	-	-	-	-	-	8.0%	7.9%
Total Parent Municipality		-	-	-	-	-	-	106,853	115,211	124,155

2.4 Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30)

Annexure is attached that present the monthly projection on cash inflow and outflow. No bridging overdraft will be required. Although anticipated collection of revenue fluctuates seasonally, it will not require the Municipality to take a bank overdraft.

Table 19

NW394 Greater Taung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																	
Property rates			2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	31,500	32,000	32,500
Service charges - electricity revenue			335	335	335	335	335	335	335	335	335	335	335	335	4,018	4,335	4,680
Service charges - water revenue			66	66	66	66	66	66	66	66	66	66	66	66	795	843	893
Service charges - sanitation revenue			139	139	139	139	139	139	139	139	139	139	139	139	1,927	2,043	2,165
Service charges - refuse revenue			258	258	258	258	258	258	258	258	258	258	258	258	3,099	3,285	3,482
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			50	50	50	50	50	50	50	50	50	50	50	50	596	632	672
Interest earned - external investments			583	583	583	583	583	583	583	583	583	583	583	583	7,000	7,420	7,865
Interest earned - outstanding debtors			470	470	470	470	470	470	470	470	470	470	470	470	5,641	5,845	6,045
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			25	25	25	25	25	25	25	25	25	25	25	25	295	323	347
Licences and permits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies			73,445	-	-	-	-	60,767	-	-	42,850	-	-	0	177,062	178,550	181,494
Other revenue			180	180	180	180	180	180	180	180	180	180	180	180	2,164	2,255	2,352
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			78,176	4,731	4,731	4,731	4,731	65,499	4,731	4,731	47,581	4,731	4,731	4,990	234,097	237,531	242,495
Expenditure By Type																	
Employee related costs			7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,461	94,383	101,776
Remuneration of councillors			1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	19,392	20,828	22,379
Debt impairment			-	-	-	-	-	-	-	-	-	-	-	-	8,000	8,000	8,000
Depreciation & asset impairment			-	-	-	-	-	-	-	-	-	-	-	27,452	27,452	29,099	30,844
Finance charges			68	68	68	68	68	68	68	68	68	68	68	68	815	818	820
Bulk purchases			318	318	318	318	318	318	318	318	318	318	318	318	3,817	4,122	4,452
Other materials			1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	1,588	19,050	21,673	22,979
Contracted services			1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	20,568	21,380	22,257
Transfers and subsidies			1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	13,075	9,968	10,633
Other expenditure			4,011	4,011	4,011	4,011	4,011	4,011	4,011	4,011	4,011	4,011	4,011	4,061	48,181	50,362	55,026
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			17,692	17,692	17,692	17,692	17,692	17,692	17,692	17,692	17,692	17,692	25,692	45,195	247,811	260,633	279,166
Surplus/(Deficit)																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			60,484	(12,961)	(12,961)	(12,961)	(12,961)	47,806	(12,961)	(12,961)	29,889	(12,961)	(20,961)	(40,205)	(13,714)	(23,102)	(36,671)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			24,388	-	-	-	-	8,040	-	-	29,243	-	-	(0)	61,671	59,896	79,836
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			84,872	(12,961)	(12,961)	(12,961)	(12,961)	55,846	(12,961)	(12,961)	59,132	(12,961)	(20,961)	(40,205)	47,957	36,794	43,165
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1		84,872	(12,961)	(12,961)	(12,961)	(12,961)	55,846	(12,961)	(12,961)	59,132	(12,961)	(20,961)	(40,205)	47,957	36,794	43,165

NW394 Greater Taung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

NW394 Greater Taung - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)34

Table 22

NW394 Greater Taung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Community and Social Services														-	-	-
Vote 2 - Energy Sources														-	-	-
Vote 3 - Executive and Council														-	-	-
Vote 4 - Finance and Administration														-	-	-
Vote 5 - Planning and Development														-	-	-
Vote 6 - Road Transport														-	-	-
Vote 7 - Sports and Recreation														-	-	-
Vote 8 - Waste Management														-	-	-
Vote 9 - Waste Water Management														-	-	-
Vote 10 - Water Management														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Community and Social Services		3,157	3,157	3,157	3,157	3,157	3,157	3,157	3,157	3,157	3,157	3,157	3,156	37,879	8,500	8,110
Vote 2 - Energy Sources		554	554	554	554	554	554	554	554	554	554	554	554	6,642	-	-
Vote 3 - Executive and Council		218	218	218	218	218	218	218	218	218	218	218	218	2,616	140	-
Vote 4 - Finance and Administration		62	62	62	62	62	62	62	62	62	62	62	62	745	215	192
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,966	23,585	60,041	79,739
Vote 7 - Sports and Recreation		39	39	39	39	39	39	39	39	39	39	39	(11)	420	450	450
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,000	2,000
Vote 10 - Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,144	74,287	71,346	90,491
Total Capital Expenditure	2	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,144	74,287	71,346	90,491

Table 23

NW394 Greater Taung - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
Governance and administration		280	280	280	280	280	280	280	280	280	280	280	280	3,361	355	192
Executive and council		14	14	14	14	14	14	14	14	14	14	14	14	165	160	-
Finance and administration		266	266	266	266	266	266	266	266	266	266	266	266	3,196	195	192
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		3,192	3,192	3,192	3,192	3,192	3,192	3,192	3,192	3,192	3,192	3,192	3,141	38,248	8,910	8,520
Community and social services		3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	3,094	37,128	7,660	7,170
Sport and recreation		98	98	98	98	98	98	98	98	98	98	98	48	1,120	1,250	1,350
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	1,970	23,636	52,081	54,779
Planning and development		4	4	4	4	4	4	4	4	4	4	4	4	51	40	40
Road transport		1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,966	23,585	52,041	54,739
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		754	754	754	754	754	754	754	754	754	754	754	754	9,042	10,000	27,000
Energy sources		554	554	554	554	554	554	554	554	554	554	554	554	6,642	8,000	25,000
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,000	2,000
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,144	74,287	71,346	90,491
Funded by:																
National Government		24,388	-	-	-	-	21,340	-	-	-	-	15,243	(0)	60,971	56,541	76,239
Provincial Government		-	-	-	-	-	700	-	-	-	-	-	-	700	800	900
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,388	-	-	-	-	22,040	-	-	-	-	15,243	(0)	61,671	57,341	77,139
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,006	12,616	14,005	13,352
Total Capital Funding		25,444	1,056	1,056	1,056	1,056	23,095	1,056	1,056	1,056	1,056	16,298	1,005	74,287	71,346	90,491

Table 24

NW394 Greater Taung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	22,050	22,400	22,750
Service charges - electricity revenue	234	234	234	234	234	234	234	234	234	234	234	234	2,813	3,035	3,276
Service charges - water revenue	43	43	43	43	43	43	43	43	43	43	43	43	517	548	580
Service charges - sanitation revenue	104	104	104	104	104	104	104	104	104	104	104	104	1,253	1,328	1,407
Service charges - refuse revenue	181	181	181	181	181	181	181	181	181	181	181	181	2,169	2,299	2,437
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	35	35	35	35	35	35	35	35	35	35	35	35	417	442	470
Interest earned - external investments	408	408	408	408	408	408	408	408	408	408	408	408	4,900	5,194	5,506
Interest earned - outstanding debtors	175	175	175	175	175	175	175	175	175	175	175	175	2,100	2,226	2,359
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	73,445	-	-	-	-	60,767	-	-	42,850	-	-	-	177,062	178,550	181,494
Other revenue	463	463	463	463	463	463	463	463	463	463	463	463	5,555	5,888	6,242
Cash Receipts by Source	76,926	3,481	3,481	3,481	3,481	64,248	3,481	3,481	46,331	3,481	3,481	3,481	218,835	221,910	226,521
Other Cash Flows by Source															
Transfer receipts - capital	24,388	-	-	-	-	8,040	-	-	29,243	-	-	-	61,671	59,896	79,836
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	101,314	3,481	3,481	3,481	3,481	72,288	3,481	3,481	75,574	3,481	3,481	3,481	280,506	281,806	306,357
Cash Payments by Type															
Employee related costs	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	7,288	87,461	94,383	101,776
Remuneration of councillors	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	19,392	20,828	22,379
Finance charges	68	68	68	68	68	68	68	68	68	68	68	68	815	818	820
Bulk purchases - Electricity	318	318	318	318	318	318	318	318	318	318	318	318	3,817	4,122	4,452
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	15,514	16,445	17,432
Contracted services	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,398	14,966	28,180
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	13,075	9,968	10,615
Other expenditure	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	4,015	48,181	50,362	55,026
Cash Payments by Type	16,888	16,888	16,888	16,888	16,888	16,888	16,888	16,888	16,888	16,888	16,888	16,888	202,653	211,892	240,679
Other Cash Flows/Payments by Type															
Capital assets	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	6,195	74,337	71,396	90,541
Repayment of borrowing	133	133	133	133	133	133	133	133	133	133	133	133	1,600	1,700	1,800
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	278,589	284,988	333,021
NET INCREASE/(DECREASE) IN CASH HELD	78,099	(19,735)	(19,735)	(19,735)	(19,735)	49,072	(19,735)	(19,735)	52,358	(19,735)	(19,735)	(19,735)	1,917	(3,182)	(26,664)
Cash/cash equivalents at the month/year begin:	139,264	217,362	197,627	177,893	158,158	138,424	187,496	167,761	148,027	200,385	180,650	160,915	139,264	141,181	137,999
Cash/cash equivalents at the month/year end:	217,362	197,627	177,893	158,158	138,424	187,496	167,761	148,027	200,385	180,650	160,915	141,181	141,181	137,999	111,335

2.5 Measurable performance objectives.

A detailed service delivery and budget implementation plan on the IDP which is to be approved by the Mayor shows the measurable performance objectives and annual target that each directorate should achieve and become part of the performance agreement for all sections of employees.

2.6 Overview of Budget Related Policies

The following policies were workshoped and introduced to the newly elected councilors of Greater Taung Local Municipality on 17 May 2017 and adopted by Council on 31 May 2017.

Credit Control and Debt Collection Policy

This adopted policy is credible, sustainable, manageable and informed by affordability and value for money and there was no need to review the policy. New Indigent threshold is published in the Tariff Schedule which equals to 2 state pensions (R3200).

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, regular Indigent Register Campaigns will be arranged throughout the year.

The 2017/18 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 75% on current billings.

Asset Management Policy

The objectives of this policy of the Municipality are:

- (a) to maximise the service potential of existing assets by ensuring that they are appropriately used, maintained, safeguarded and that risks are mitigated;
- (b) to optimise the life cycle costs of owning and using these assets by seeking cost-effective options throughout an asset's life cycle;
- (c) to reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;
- (d) to establish clear lines of accountability and responsibility for performance, safe custody and use of assets within the Municipality;
- (e) to establish sound risk-based internal controls supporting all asset management practices within the Municipality.

Supply Chain Management Policy

The goal of this Policy is to provide a mechanism to ensure sound, sustainable and accountable supply chain management within the **Greater Taung Local Municipality**, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

- a. to stimulate and promote local economic development in a targeted and focused manner;
- b. to promote resource efficiency and greening;
- c. to facilitate creation of employment and business opportunities for the people of **Greater Taung Local Municipality**;
- d. to promote the competitiveness of local businesses;
- e. to increase the small business sector access, in general, to procurement business opportunities created by Council;
- f. to increase participation by small, medium and micro enterprises
 - i. (SMME's); and
- g. to promote joint venture partnerships.

Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable senior managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28(2)(c) MFMA).

Cash Management and Investment Policy

The objective of this policy is

1. To ensure compliance with the relevant legal and statutory requirements relating to cash management and investments.

2. To ensure that investment of surplus funds of the Municipality forms part of the financial system of the Municipality.
3. To create consistency in that the same procedure is followed in respect of each investment so as to conform to the requirements of transparency, equitability and fairness. In each case the preservation and safety of investments is a primary aim.
4. To promote and ensure the need for investment diversification of the Municipality's investment portfolio across acceptable investees permitted types of investments and investment maturities.
5. To ensure the liquidity needs of the Municipality are duly discounted and provided for.
6. To ensure timeous reporting of the investment portfolio as required by the MFMA and in accordance with the General Recognized Accounting Practices (GRAP).
7. To establish a minimum acceptable credit rating and requirements for investments including:
 - (a) a list of approved investment types that may be made, subject to the provisions of this policy; and
 - (b) a list of approved institutions where or through which investments may be made, subject to the provision of this policy.
8. To provide measures for ensuring implementation of this policy and internal control over, investment made as well as procedures for reporting on and monitoring of all investments made procedure for benchmarking and performance evaluation.
9. To provide the assignment of roles and functions, any delegation of decision-making powers including the conditions for the use of investment managers, and their liability in the event of non-compliance with the provisions of this policy.

Tariff Policies

The aim and purpose of this policy is:

- (a) to comply with the provisions of section 74 of the Systems Act and to guide and assist the Municipality to determine and levy tariffs for municipal services provided by the Municipality; and
- (b) to prescribe guidelines and procedures for calculating tariffs and the manner in which the municipality should ensure public participation regarding same, and publish the tariffs once it has been adopted by the Council.

Funding & Reserve Policy

The aim and purpose of this policy is to:

- (1) ensure that the Municipality has sufficient and cost-effective cash funding in order to achieve its objectives through the implementation of its operating and capital budgets; and
- (2) the objectives of this policy are to set out the assumptions and methodology for estimating the following:
 - (a) projected billings, collections and all direct revenues;
 - (b) the provision for revenue that will not be collected;
 - (c) the funds the Municipality can expect to receive from investments;
 - (d) the proceeds the Municipality can expect to receive from the transfer or disposal of assets;
 - (e) the Municipality's borrowing requirements; and
 - (f) the funds to be set aside in reserves.

Property Rates, Indigent Policy and other HR related policies are available on the municipal website.

2.7 Overview of Budget Assumptions

Financial Assumptions was dealt with under the heading Executive Summary on page 11. Proposed tariffs for 2017/2018 per service category are as follows:

Table 25

**(VAT IS NOT INCLUDED)
REIVILO ELECTRICITY**

	2016/2017	2017/2018
(a) Basic Levy		
E000 Indigent Registered (50 units free)	0.00	0.00
E001 Tariff per unit	0.00	0.00
E002 Household Tariff per month	81.20	86.10
E003 Availability per year (Empty sites)	226.00	226.00
E004 Three-phase & Commercial per month	221.80	235.10
E005 Medium Users	787.50	834.75
E006 KVA	142.05	150.60
(b) Units (energy)		
E000 Indigent Reg cents per unit(50 units free)	See Schedule A	See Schedule A
E001 cents per unit (no basic – pre-paid)	See Schedule A	See Schedule A
E002 cents per unit (Households)	See Schedule B	See Schedule B
E004 per unit (Three Phase & Commercial) (3%)	1.265	1.303
E005 cents per unit (Commercial Med users) (3%)	81.00	83.43
E007 cents per unit Indigent Pre-paid (50 units free)	See Schedule A	See Schedule A
E008 per unit (Business Pre-paid) (3%)	1.265	1.303
E009 Departmental Usage (3%)	1.265	1.303
E010 Taung Taxi Tank Pre Pay (3%)	1.265	1.303
Consumer Deposit (no deposit with pre pay)	500.00	500.00
Business Deposit (or according to usage if>)	1000.00	1000.00
RECONNECTION FEE	250.00	250.00
TEST METER (refundable if proven incorrect)	300.00	300.00
Tampering fee (pre-paid)	1000.00	1000.00

2016/2017 Tariffs

Domestic Block 1 0 – 50 kWh	Domestic Block 2 51-350 kWh	Domestic Block 3 351 – 600 kWh	Domestic Block 4 >600 kWh
A - 00.8400	1.0117	1.3820	1.5910
B - 00.8400	1.0558	1.4453	1.7504

2017/2018 Tariffs

Domestic Block 1 0 – 50 kWh (2%)	Domestic Block 2 51-350 kWh (2%)	Domestic Block 3 351 – 600 kWh(3%)	Domestic Block 4 >600 kWh (3%)
A - 00.85.58	1.0320	1.4235	1.6387
B - 00.85.58	1.0770	1.4887	1.8029

PREPAID CREDIT CONTROL – 70 % to be allocated to arrears, if any, with each purchase of electricity and water

REIVILO WATER & PRE PAY (Excl VAT) (6.4%) 2016/2017 2017/2018

6 kl (only households)	Free	Free
6 kl Businesses	3.57	3.80
Till 39 kl (33)	3.57	3.80
Till 79 kl (40)	4.83	5.15
Till 119 kl (40)	6.01	6.40
120+ kl	7.14	7.60
Community Centres & Schools		
100 kl	1.42	1.55
100+ kl	3.02	3.25
Portable Water per 10 kl water tank	74.63	79.40
Reconnections	100.00	100.00
Water connections performed by Municipality	R100.00	R100.00

REFUSE REMOVAL (Excl VAT) (6.4%)**REIVILO/PUDUMOE/TAUNG****2016/2017****2017/2018**

Consumer Deposit	R0	R0
Indigent Household	1 Free Load	1 Free Load
Household (flats extra if on one site)	45.16	48.05
Building rubbles removal	201.40	217.50
Household per annum (x12)	541.92	Fased out
Additional Refuse for businesses per month	45.16	48.05
Hospital Refuse per point per month	108.78	115.74
Schools, Hostel per month & other big dept /point	45.16	48.05
Clinic Refuse (including rural)		
- within 10km radius	108.78	115.74
- outside 10km radius	108.78+R10/km	115.74+R10/km

SEWERAGE & DRAINAGE (Excl VAT) (6.4%)**REIVILO/PUDIMOE/TAUNG****2016/2017****2017/2018**

Consumer Deposit	R0	R0
Indigent Household	1 Free Load	1 Free Load
Household per month on system	43.28	46.05
Septic tank per 4,5 kl per load	43.28	46.05
Taung & Pudimoe per load of 5 kl (septic tank)	106.64	113.45
School, Hostels & Hospitals & Big Inst connected line pp	1038.75	1105.25
Sewerage (septic tank) outside service boundary + km charge	106.64	113.45
Sewer Connection (new)	R300.00	R300.00
Residential Blockage PER HOUR	R160.00	R160.00
Commercial Blockage PER HOUR	R160.00	R160.00
- Outside 10km radius – Taung, Pudimoe & Reivilo	R106.64+	R113.45
	R10.00/km	R10.00/km

**NOTICE OF GENERAL RATE OR RATES AND OR FIXED DAY FOR PAYMENT IN
RESPECT OF THE FINANCIAL YEAR
1 JULY 2017 TO 30 JUNE 2018**

Notice is hereby given in terms of Sections 7, 8, 9 & 10 of the Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004), that the following rates shall be levied in respect of the above mentioned financial year on ratable properties recorded in the valuation roll for all properties situated within the area of jurisdiction of Greater Taung Municipality (North West Province).

Tariffs are applicable to the term of the Valuation Roll

DISCRIPTION/CATEGORY	2016/2017	2017/2018
Residential	R0.01560	R0.01560
Residential (undeveloped)	R0.01560	R0.01560
Business & Industrial	R0.01560	R0.01560
Government Properties	R0.024070	R0.024070
Agriculture	R0.003120	R0.003120

The amount due for rates as contemplated in terms of Section 11 (Property Rates Act No.6, 2004) shall be payable before the due date in eleven (11) equal installments from the fixed day, which is 1 July. Due date for annual payments will be 30 September of each year. Interest will be levied from 1 October according to approved tariffs.

SCHEDULE A

SCHEDULE OF REBATES ON PROPERTY RATES

Category/Description	Proposed rebate	Council's rebate
Impermissible Rebate	R80,000	R80,000
State Properties	0%	0%
Residential Properties Developed	20%	20%
Indigent Owner –	50 %	50%
Farm owner - Land used for farming – not business	85 %	85%
<u>Retired and disabled person on residential properties only :</u>		
➤ Owner with income less than R 2 500 per month	50%	50%
➤ Owner with income between R 2 501 and R 3 500	20%	20%
➤ Owner with income between R 3 501 and R 5 000	10%	10%

2.8 Overview of Alignment of Annual Budget with IDP

Greater Taung Local Municipality has adopted the Turn Around Strategy approach to inform both the IDP and resource allocation (budget process). Integrated Development Plan is the principal strategic planning tool that guides and informs all planning, development and decision-making in the municipality. Poverty eradication and job creation are critical ingredients of sustainable economic development. The integrated development plan has a number of clear objectives and intended impacts such as consultative processes, strategic process and implementation-oriented processes. The primary objective of the IDP is to accelerate service delivery by providing a framework for economic and social development.

Greater Taung Local Municipality's development plan needs are aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are five critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF). All these feed into and influence the Integrated Development Plan.

Municipal Transformation and Organizational Development

This key performance area focuses on the availability and implementation of programmes that transform the municipality to cope with the ongoing and ever-changing community needs as well as being a learning organization. Institutional transformation is necessary condition to achieve the strategic objectives of the developmental governance. The key performance indicators under this key performance area as follows:

- Organizational design (Organogram that is linked to the organizational strategy)
- Employment Equity issues.
- Skills Development (Institutional Skills Development)
- Integrated Development Planning (Integration of strategic frameworks)
- Performance Management System
- Administrative and institutional Systems and structures

Infrastructure Development and Services Delivery

The delivery of basic services and provision of infrastructure is the most important element of poverty eradication. The council noted the fact that the provisions of economic and social infrastructure to communities facilitate the local economic development. This key performance area focus on services rendered directly to the communities, such as water, sanitation, electricity, solid waste management, environmental management, roads, housing and community facilities. The council has resolved to accelerate the provision of these services, especially water, sanitation and electricity through a three-year budgeting cycle.

Local Economic Development

This key performance area focuses on the measure that the municipality will apply to promote the local economy. The measures such as how to implement the supply chain management in terms of SMME development, Broad Based Black Economic Empowerment, Poverty alleviation initiatives and job creation initiatives. It further puts emphasis on the attraction and retention of investment,

SMME support, provision of basic needs, skills development and the implementation of the affirmative procurement framework and labour intensive program.

We have identified competitive advantages to bolster “logistic hub initiative”. These include implementation of the inner urban renewal program, initiating of the regional shopping centre, the regional transport hub and agro-processing, mineral beneficiation centre and the international convention centre. We are implementing Extended Public Works Program to facilitate economic growth, skills development and acceleration of infrastructure investment.

Municipal Finance Viability and Management

Council has adopted sustainability as one of the key performance areas. This key performance area puts emphasis on the interconnection between the institutional, social, environmental and financial arrangement of the implementation of any program and project in the municipality. Sustainability in terms of the above-mentioned aspects informs the action plans of the municipality to ensure the provision and maintenance of sustainable infrastructure to communities.

Good Governance and Public Participation

It focuses primarily on the development and implementation of the systems and procedures that will ensure that the municipality promotes good governance and public participation in terms of the constitutional mandate. The core objective of this key performance area is to mobilize and empower local communities to take control of the process of social transformation. The most key performance indicators under this key performance area are as follows:

- Availability of communication strategy
- Citizen/customer satisfaction survey
- Service delivery improvement program
- Functional Ward Committee System
- Council System
- Corporate Governance (Audit Committee, Performance Audit Committee, Anti-Corruption Strategy and Policy)
- Internal Audit

The core objective of this Key Performance Area is to ensure that we meet the needs of today without diminishing the capacity of future generations to meet theirs. Sustainable development implies a broad view of human welfare, a long-term perspective about the consequences of today's activities, and global co-operation to reach viable solutions. It is within this context that the Council has resolved to adopt best practices in all sectors to inform all development activities for sustainable development.

Core functions and Services provided

Section 152 of the **Constitution of the Republic of South Africa** – Act 108 of 1996 summarises the objects of Local Government as follows:

- a. To provide democratic and accountable government to local communities;
- b. To ensure the provision of services to communities in a sustainable manner;
- c. To promote social and economic development;
- d. To promote a safe and healthy environment; and
- e. To encourage the involvement of communities and community organisations in the matters of Local Government.

Development Duties of Municipalities:

A Municipality **must**:

- a. Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and;
- b. Participate in national and provincial development programmes.

In order to give effect to the above-mentioned, Council has determined five (5)

Key Performance Areas namely:

1. Municipal Transformation and Organisational Development
2. Infrastructure Development and Services Delivery
3. Promotion of Local Economic Development
4. Municipal Finance Viability and Management
5. Good Governance and Public Participation

2.9 Reconciliation between of transfers, grant receipts and unspent (SA20)

Greater Taung Local Municipality had no unspent portion of grant receipts during the 2015/2016 financial year. Therefor the following Table (SA20) has no figures.

2.10 Capital Expenditure Details (SA 36 & 34b)

Table 26

The following table indicate the Capital Expenditure budgeted for all Capital Expenditure, which included National and Provincial Grants as well as Own Generated funds.

NW394 Greater Taung - Supporting Table SA36 Detailed capital budget																
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4				6	3	3	5		Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
		Lokaberg Community Hall			Yes	Community Facilities	Halls					6,000			Ward 8	New
		Tlaping II Community Hall			Yes	Community Facilities	Halls					6,000			Ward 9	New
		Ohoo Community Hall			Yes	Community Facilities	Halls					6,000			Ward 1	New
		Kokomeng Access Road			Yes	Roads Infrastructure	Road Structures					9,356			Ward 23	New
		Massie Storm-water Channel			Yes	Storm water Infrastructure	Storm water Conveyance					6,441			Ward 3	New
		High Mast Lights in Various Wards			Yes	Electrical Infrastructure	Reloculation					6,642			Various wards	New
		LED Capital Project			Yes	Information and Communication Infrastructure	Markets					2,471			Various wards	New
		Taung Sports Facilities			Yes	Sport and Recreation Facilities	Outdoor Facilities					15,000			Various wards	New
		Muthalo Access Road			Yes	Roads Infrastructure	Roads					2,363			Ward 5	New
		Mogabale Community Hall			Yes	Community Facilities	Halls					342			Ward 17	New
		Seeding Community Hall			Yes	Community Facilities	Halls					355			Ward 21	New
		Office Equipment			Yes	Furniture and Office Equipment	Unspecified					441			N/A	New
		Other Land and Buildings			Yes	Operational Buildings	Unspecified					3,170			N/A	New
		Machinery and Equipment			Yes	Machinery and Equipment	Unspecified					9,005			N/A	New
		Library capital grant			Yes	Community Facilities	Libraries					700			Various wards	New
Parent Capital expenditure	1											74,287	-	-	Various wards	New
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure												74,287				

Greater Taung Local Municipality is currently not budgeting for renewal of assets because new assets are rather being paid for than fixing current assets. SA34b has no figures, therefore will not be included in this document.

2.11 Annual budgets and SDBIP's – internal departments

Introduction

The purpose of this document is to present the Service Delivery and Delivery and Budget Implementation Plan (SDBIP) of the Greater Taung Local Municipality for 2017/18 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

The SDBIP is a detailed one year plan of the municipality that gives effect to the IDP and budget of the municipality. The SDBIP is a management plan for implementing the IDP through the approval budget. It is an expression of the objective of the municipality, in quantifiable outcomes that will be implemented for the financial year. It includes the service delivery targets for each quarter and facilitates oversight over financial and non-financial performance of the municipality.

The 2017/18 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2017/18 Financial Year.

The SDBIP also assist the Executive, Council and the community in their respective oversight responsibilities since it serves as an implementation and monitoring tool.

Greater Taung Local Municipality does not have any entity; therefor the SDBIP is only for the parent municipality.

Legislative framework

Section 1 of the MFMA defines the SDBIP as a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c)(ii) for implementing the municipality's delivery of service and its annual budget and which must indicate:

- a) Projections for each month of:-
 - I. Revenue to be collected, by source and
 - II. Operational and capital expenditure by vote
- b) Service delivery targets and performance indicators for each quarter and
- c) Any other matter that may prescribed and includes any revision of such plan by the mayor in terms of section 54(1) (c)

The MFMA requires that municipalities develop a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decision that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. In terms of section 53(1) (c)(ii) of the MFMA, the SDBIP must be approved by the mayor of a municipality within 28 days of the approval of the budget

Components of the SDBIP

- Monthly Projections of Revenue to be collected for each source
- Monthly Projections of Expenditure and Revenue for each vote
- Quarterly projections of Service Delivery targets and Performance Indicators
- Detailed capital Budget Broken Down by ward over three years

Monthly Projections of Revenue to be collected for each Source

The failure to collect its revenue as a budgeted will severely impact on the municipality's ability to provide services to the community. The municipality therefore has to institute measures to achieve its monthly revenue targets for each source. These measures will enable the municipality to assess its cash flow on monthly basis with a view to undertaking contingency plans should there be a cash flow shortage or alternatively invest surplus cash. Furthermore, the effectiveness of credit control policies and procedures can be monitored with appropriate action taken if considered necessary

Monthly Projections of Expenditure and Revenue for each Vote

The monthly projection of revenue and expenditure per vote relate to the cash paid and reconciles with the cash statement adopted with the budget. The focus under this component is a monthly projections per vote in addition to projection by source. When reviewing budget projections against actuals, it is useful to consider revenue and expenditure per vote in order to gain more complete picture of budget projections against actuals.

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote

This component of the SDBIP requires non- financial measurable performance objectives in the form of service delivery targets and other indicators of performance. The focus is on outputs rather

than inputs. Service delivery targets relates to the level and standard of service being provided to the community and include the addressing of backlogs in basic services. The approach encouraged by NT's MFMA circular No. 13 is the utilisation of scorecards to monitor service delivery.

Detailed Capital Budget over Three Years

Information detailing infrastructural projects containing project description and anticipated capital costs over three year period. A summary of capital project per the IDP will be made available on Council website.

SDBIP Cycle

The SDBIP Process comprises the following stages, which forms part of a cycle.

Planning:

During this phase the SDBIP Process plan is developed to be tabled with the IDP Process plan. SDBIP related processes e.g. Management meetings, strategic Planning working session.

Strategizing:

During this phase the IDP is reviewed and subsequent SDBIP programmes and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

Tabling:

The SDBIP is tabled with the draft IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

Adoption:

The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing:

The adopted SDBIP is made public and is published on Council's website.

Implementation, Monitoring and Reporting:

SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.



The Budget Process

Background to the Budget Preparation Process

The budget process is an effective process that every local government must undertake to ensure Good Governance and accountability. The process outlines the current and future direction that the municipality would follow in order to meet legislative stipulations. The budget process enables the municipality to optimally involve residents and other stakeholders in the budgeting process.

In terms of Section 15 of the MFMA, a municipality may except where otherwise provided in the Act, incur expenditure only in terms of the approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. The MFMA prescribes further that the Council must for each financial year approve an annual budget for the municipality before the start of that financial year. An annual budget must set out realistically anticipated revenue for the budget year from each revenue source and expenditure appropriated under the different votes of the municipality.

Greater Taung Local Municipality's Budget/ Integrated Development Plan (IDP) Review process for the 2016/17 financial year started with the development and approval in August 2015 of the

“Process Plan for the Budget Formulation and IDP Review”. The timetable provided broad timeframes for the IDP and budget preparation process. The main aim of the timetable was to ensure integration between the Integrated Development Plan and the budget towards tabling a balanced budget.

Monitoring of the Implementation of the SDBIP

Progress against the objectives/targets set out in the SDBIP will be reported on a monthly, quarterly, mid-year and annual basis as set out in the MFMA.

A series of reporting requirements are outlined in the MFMA as follows:

- Monthly budget statements (Section 71)
- Quarterly reports (Section 52)
- Mid-year budget and performance assessment (Section 72)
- Annual report (Section 121)

General

The SDBIP largely complies with legislation as well as policy guidelines issued by National Treasury it is however an evolving document and will continue to be refined to improve the content and the quality of information contained therein on a continued basis.

Table 27

Draft 2017/18 Top Layer SDBIP – Greater Taung Local Municipality

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
National KPA 1: Basic Service Delivery and Infrastructure Development																		
TL01	Electricity	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Install high mast lights in 5 Wards by end November 2017	Number of high mast lights installed in 5 Wards by end November 2017	7,9,11,12,14	Manager: PMU	New KPI for 2016/17	Carry Over	Number	Completion Certificate		R 6,900,000	25	0	25	0	0
TL02	Community Halls	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete Tlapeng Community Hall project by end November 2017	Completion of the Tlapeng Community Hall project by end November 2017	26	Manager: PMU	2015/16 KPI	Carry Over	Number	Completion Certificate		R 6,000,000	1	0	1	0	0
TL03	Community Halls	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete Qhoo Community Hall project by end November 2017	Completion of the Qhoo Community Hall project by end November 2017	26	Manager: PMU	2015/16 KPI	Carry Over	Number	Completion Certificate		R 6,000,000	1	0	1	0	0
TL04	Community Halls	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete Lokgabeng Community Hall project by end November 2017	Completion of the Lokgabeng Community Hall project by end November 2017	26	Manager: PMU	2015/16 KPI	Carry Over	Number	Completion Certificate		R 6,000,000	1	0	1	0	0
TL05	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete construction of 2kms of access road in Matlhako II by end August 2017	Number of kilometres of access road constructed in Matlhako II by end August 2017	5	PMU Manager	1	Carry Over	Number	Completion Certificate		R 2,362,872	2	2	0	0	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL06	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete construction of access road in Kokomeng by end February 2018	Number of access roads constructed in Kokomeng by end February 2018	5	PMU Manager	1	Carry Over	Number	Completion Certificate		R 9,356,362	1	0	0	1	0
TL07	Stormwater	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Complete construction of Mase Stormwater channel project by end February 2018	Completion of Mase Stormwater channel project by end February 2018	19	Manager: PMU	2015/16 KPI	Carry Over	Number	Completion Certificate		R 6,441,000	1	0	0	1	0
TL08	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Develop Business Plan for removal of N18 Taung Traffic Circle and creation of secondary access to Taung CBD (subject to approval from SANRAL) by end June 2017	Number of Business Plans developed for removal of the N18 Taung Traffic Circle and creation of secondary access to Taung CBD by end June 2018	11	Director Infrastructure	1	Carry Over	Number	Final Draft Business Plan		R 0	1	0	0	0	1
TL09	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Procure CAT Grader by end December 2017	Number of CAT Graders procured by end December 2017	All	Director Infrastructure	New KPI for 2017/18	Carry Over	Number	Delivery Note/ Invoice		R 2,000,000	1	0	1	0	0
TL10	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Procure 1 Ton Single Cab LDV by end December 2017	Number of 1 Ton Single Cab LDVs procured by end December 2017	All	Director Infrastructure	New KPI for 2017/18	Carry Over	Number	Delivery Note/ Invoice		R 450,000	1	0	1	0	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL11	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Procure Water Tanker by end December 2017	Number of Water Tankers procured by end December 2017	All	Director Infrastructure	New KPI for 2017/18	Carry Over	Number	Delivery Note/ Invoice		R 900,000	1	0	1	0	0
TL12	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Construct edge beam at Chiefs court Bridge by end June 2018	Number of edge beams constructed at Chiefs court Bridge by end June 2018		Director Infrastructure	New KPI for 2017/18	Carry Over	Number	Completion Certificate		R 400,000	1	0	0	0	1
TL13	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Construct speed humps at Mokgareng, Veertien (to Khibitswane) & Chiefs court by end June 2018	Number of speed humps constructed at Mokgareng, Veertien (to Khibitswane) & Chiefs court by end June 2018		Manager: Roads & Stormwater		Carry Over	Number			R 400,000	1	0	0	0	1
TL14	Roads	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Construct stormwater drifts at Reivilo by end June 2018	Number of stormwater drifts constructed at Reivilo by end June 2018		Manager: Roads & Stormwater		Carry Over	Number			R 90,000	1	0	0	0	1
TL15	Water	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Procure 8 000L Vacuum Tanker by end December 2017	Number of 8 000L Vacuum Tankers procured by end December 2017	All	Manager: Water & Sanitation	New KPI for 2017/18	Carry Over	Number	Delivery Note/ Invoice		R 1,500,000	1	0	1	0	0
TL16	Amenities	Basic Service Delivery and Infrastructure Development	To maintain and manage all council buildings and facilities	Complete construction of 6 cemetery pit latrine toilets in identified areas by end June 2018	Number of pit latrine toilets construction projects completed in identified areas by end June 2018	4 - 12	Manager: Amenities	4	Carry Over	Number	Completion Certificate		R 420,000	6	2	2	2	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL17	Amenities	Basic Service Delivery and Infrastructure Development	To maintain and manage all council buildings and facilities	Complete security room construction projects at Matlapaneng, Choseng & Molelema by end June 2018	Number of security room construction projects completed at Matlapaneng, Choseng & Molelema by end June 2018		Manager: Amenities	New KPI for 2017/18	Carry Over	Number	Completion Certificate		R 150,000	3	0	0	0	3
TL18	Library Service	Basic Service Delivery and Infrastructure Development	Promote literacy in communities through comprehensive Library Services	Construct Toy Library Section at Library by end June 2018	Number of Toy Library Sections constructed at Library by end June 2018		Head Librarian	New KPI for 2017/18	Carry Over	Number			R 700,000	1	0	0	0	1
TL19	Refuse	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Procure 6 open refuse containers by end December 2017	Number of open refuse containers procured by end December 2017	N/A	Manager: Refuse	New KPI for 2017/18	Carry Over	Number	Delivery Note / Registration		R 210,000	6	0	6	0	0
TL20	Town Planning	Basic Service Delivery and Infrastructure Development	Promoting a wall to wall of management of all land development activities	Submit quarterly reports to Council on the preliminary studies for the Township establishment in Boipelo by end June 2017	Number of quarterly reports submitted to Council on the preliminary studies for the Township establishment in Boipelo by end June 2017	1	Director Spatial Planning & Human Settlement	4	Carry Over	Number	Council Minutes / Resolution		R 1,210,500	4	1	1	1	1
TL21	Free Basic Services (Electricity)	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Provide free basic electricity to 8 775 households in GTLM by end June 2018	Number of households that received free basic electricity in GTLM by end June 2018	N/A	Chief Financial Officer	8775	Carry Over	Number	Expenditure Report		R 6,366,000	8775	8775	8775	8775	8775

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL22	Free Basic Services (Water)	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Provide free basic water to 591 households in GTLM by end June 2018	Number of households that received free basic water in GTLM by end June 2018	N/A	Chief Financial Officer	591	Carry Over	Number	Expenditure Report		R 28,000	591	591	591	591	
TL23	Free Basic Services (Sanitation)	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Provide free basic sanitation to 324 households in GTLM by end June 2018	Number of households that received free basic sanitation in GTLM by end June 2018	N/A	Chief Financial Officer	324	Carry Over	Number	Expenditure Report		R 161,000	324	324	324	324	
TL24	Free Basic Services (Refuse)	Basic Service Delivery and Infrastructure Development	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Provide free basic refuse removal to 348 households in GTLM by end June 2018	Number of households that received free basic refuse removal in GTLM by end June 2018	N/A	Chief Financial Officer	348	Carry Over	Number	Expenditure Report		R 204,000	348	348	348	348	
National KPA 2: Municipal Institutional Development and Transformation																		
TL26	Recruitment	Municipal Institutional Development and Transformation	Improve organisational cohesion effectiveness	Number of people from employment equity target groups appointed in the three highest levels of management in accordance with approved Municipal Employment Equity Plan by end June 2018	Number of people from EE target groups employed in the three highest levels of management in accordance with approved Municipal Employment Equity Plan by end June 2018	N/A	Director: Corporate Service	2	Accumulative	Number	Employment Equity Plan / Appointment Letters		OpEx	2	1	0	1	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL27	Training	Municipal Institutional Development and Transformation	Improve organisational cohesion effectiveness	Percentage of municipality's budget actually spent on implementing its workplace skills plan measured as (Total Actual Training Expenditure/ Total Operational Budget)x100) by end June 2018	Total expenditure on training/total operational budget x 100 by end June 2018	N/A	Director: Corporate Service	None	Carry Over	Percentage	Expenditure Report		OpEx	90%	0	0	0	90%
TL28	Training	Municipal Institutional Development and Transformation	Improve organisational cohesion and effectiveness	Provide financial support to students that adhere to the relevant requirements by end March 2018	Number of students financially supported by end March 2018	All	Director: Corporate Service	83	Carry Over	Number	Signed off Bursary Letters		R 1,000,000	60	0	0	80	0
TL29	Training	Municipal Institutional Development and Transformation	Improve organisational cohesion and effectiveness	Facilitate training of Municipal Officials by end of April 2018	Number of Municipal officials trained by end April 2018	N/A	Director: Corporate Service		Carry Over	Number	Proof of Registration/ Attendance Register/ Results		R 600,000	120	40	40	40	0
TL30		Municipal Institutional Development and Transformation		Facilitate training of Municipal Councillors by end April 2018	Number of Municipal Councillors trained by end April 2018									40	20	10	10	0
TL31	Information Technology	Municipal Transformation & Institutional Development	Improve organisational cohesion and effectiveness	Upgrade Communications Network by end June 2017	Number of Communication Networks upgraded by end June 2017	N/A	Manager: IT	Outdated	Carry Over	Number	New Network / Sign Off Letter		R 0	1	0	0	0	1
National KPA 3: Local Economic Development																		
TL32	EPWP	Local Economic Development	Create an environment that promotes development of local economy and facilitate job creation	Create 101 temporary work opportunities through EPWP by end June 2018	Number of temporary work opportunities created through EPWP by end June 2018	All	Director Infrastructure	101	Accumulative	Number	Temporary Employment Contracts		R 1,309,000	4	62	35	4	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL33	Local Economic Development	Local Economic Development	Create an environment that promotes development of local economy and facilitate job creation	Create temporary job opportunities through EPWP & local procurement projects by end June 2018	Number of temporary jobs created through CWP & local procurement projects by end June 2018	All	Manager: LED	500	Accumulative	Number	Appointment Contracts / Register		OpEx	500	125	125	125	125
TL34	Enterprise Skills Development	Local Economic Development	Create an environment that promotes development of local economy & facilitate job creation	Support SMMES and Cooperatives through skills development by end May 2018	Number of SMMES and Cooperatives supported through skills development by end May 2018	All	Manager :LED	100	Accumulative	Number	Attendance Register		R 0	100	25	25	25	25
TL35	Local Economic Development	Local Economic Development	Create an environment that promotes development of local economy & facilitate job creation	Support SMMES and Cooperatives through funding by end June 2018	Number of SMMES and Cooperatives supported through funding by end June 2018	All	Manager :LED	25	Accumulative	Number	Attendance Register/ Invoices/ Attendance Certificate		R 0	25	0	0	0	25
TL36	LED Infrastructure Support	Local Economic Development	Create an environment that promotes development of local economy and facilitate job creation	To support Cooperatives in GTLM with Business Infrastructure by end June 2018	Number of Cooperatives in GTLM supported with Business Infrastructure by end June 2018	All	Manager: LED	15	Carry Over	Number	Invoices		R 0	15	0	0	0	15
TL37	Local Economic Development	Local Economic Development	Create an environment that promotes development of local economy and facilitate job creation	Complete design and construction of 4 economic hubs in GTLM by end June 2017	Number of economic hubs designed and constructed in GTLM by end June 2017	All	Manager: LED	4	Carry Over	Number	Completion Certificate		R 0	4	0	0	0	4
National KPA 4: Municipal Financial Viability and Management																		
TL38	Finance	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Submit the 2016/17 Annual Financial Statements to AGSA by 31 August 2017	Number of Annual Financial Statements submitted to AGSA by 31 August 2017	N/A	Chief Financial Officer	1	Carry Over	Number	Acknowledgement of Receipt		OpEx	1	1	0	0	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL39	Finance	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash + investments / Monthly fixed operating expenditure) by end December 2017	Financial viability measured in terms of the available cash to cover fixed operating expenditure (Available cash + investments / Monthly fixed operating expenditure) by end December 2017	N/A	Chief Financial Officer	None	Stand Alone	Percentage	Annual Financial Statement		OpEx	1.5	0	1.5	0	0
TL40	Finance	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by end December 2017	Debt to Revenue Short Term Lease + Long Term Lease / Total Operating Revenue - Operating Conditional Grant by end December 2017	N/A	Chief Financial Officer	None	Stand Alone	Percentage	Annual Financial Statement		OpEx	2.1	0	2.1	0	0
TL41	Finance	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Prepare and submit the 2018/19 Final Budget to Council by 31 May 2017	Number of 2018/19 Final Budgets submitted to Council by 31 May 2017	N/A	Chief Financial Officer	1	Carry Over	Number	Council Resolution / Minutes		OpEx	1	0	0	0	1
TL42	Finance	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Submit 2017/18 draft Adjustment Budget to Council for approval by end February 2018	Number of 2017/18 draft Adjustment Budgets submitted to Council for approval by end February 2018	N/A	Chief Financial Officer	1	Carry Over	Number	Council Resolution / Minutes		OpEx	1	0	0	1	0

REF	Strategic Focus Area	National KPA	Strategic Objective	KPI	Unit of measurement	Ward	Programme Driver	Baseline	KPI Calculation type	KPI Target type	Portfolio of Evidence	Project Number	Budget	Annual Target	Quarterly Targets			
															Q1	Q2	Q3	Q4
TL43	MSCOA	Municipal Financial Viability and Management	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Submit quarterly progress report on the implementation of MSCOA to Council by end June 2017	Number quarterly progress report on the implementation of MSCOA submitted to Council by end June 2017	N/A	Chief Financial Officer	4	Accumulative	Number	Council Minutes / Resolution		R 0	4	1	1	1	1
National KPA 5: Good Governance and Public Participation																		
TL25	Corporate Service	Good Governance and Public Participation	Promote a culture of participatory & good governance	Build 2 Ward Offices by end June 2017	Number of Ward Offices built by end June 2017	N/A	Director: Corporate Service	0	Carry Over	Number	Completion Certificate		R 0	2	0	0	0	2
TL44	MPAC	Good Governance and Public Participation	Promote a culture of participatory & good governance	Submit Oversight Report on 2016/17 Annual Report to Council by end March 2018	Oversight Report on 2016/17 Annual Report submitted to Council by end March 2018	N/A	Director: Corporate Service	1	Carry Over	Number	Oversight Report / Council Minutes / Resolution		OpEx	1	0	0	1	0
TL45	Integrated Development Planning	Good Governance & Public Participation	Promote a culture of participatory & good governance	Submit Final Reviewed IDP to Council by the end May 2018	Number of Final Reviewed IDP Documents submitted to Council by end May 2018	N/A	Manager: IDP	1	Carry Over	Number	Council Resolution / Minutes		OpEx	1	0	0	0	1
TL46	Performance Management	Good Governance and Public Participation	To improve overall financial management in the municipality by developing and implementing appropriate Financial Management	Submit Mid-Year Budget & Performance Assessment Report in terms of Section 72 of the MFMA to the Mayor by 25 of January 2018	Mid-term budget report submitted to the Mayor by 25 January 2018	N/A	Manager: PMS	1	Carry Over	Number	Acknowledgement of Receipt		OpEx	1	0	0	1	0
TL47	Performance Management	Good Governance & Public Participation	Improve organisational cohesion effectiveness	Submit the draft Annual Report to Council by end January 2018	Draft Annual Report submitted to Council by end January 2018	N/A	Manager: PMS	1	Carry Over	Number	Council Resolution / Minutes		OpEx	1	0	0	1	0

2.12 Contracts having future budgetary implications

In terms of Greater Taung Local Municipality Supply Chain Management Policy, no contracts are rewarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to Bid Committees must obtain formal financial comments from the Chief Financial Officer.

2.13 Legislation Compliance Status

Below are the legislative requirements that guide the budget preparation process:

Municipal Structures Act

The Municipal Structures Act (No. 117 of 1998) as amended, under section 44: Functions and Powers of Executive Committee, states that the Executive Committee must:

- a) Identify the needs of the Municipality.
- b) Review and evaluate those needs in order of priority.
- c) Recommend to the Municipal Council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.
- d) Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Legislation also requires municipalities to compile operating and capital budgets on an annual basis. The operating and capital budgets must balance (i.e. may not reflect a deficit) and must be prepared in accordance with the integrated development plan.

Municipal Finance Management Act

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003, (MFMA) dealing with legislative compliance regarding the tabling of the annual budget states inter alia that:

“The Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.”

Section 21(1) of the MFMA, which deals with the budget preparation process, stipulates that the Mayor must:

- a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:

- I. The preparation, tabling and approval of the annual budget.
- II. The annual review of:
 - The integrated development plan in terms of section 34 of the Municipal Systems Act.
 - The budget related policies.
- III The tabling and adoption of any amendment to the integrated Development plan and the budget related policies.
- IV Any consultative processes forming part of the processes referred to in sub-paragraph (i) (ii) and (iii).

The approval of the Budget is regulated by section 24 of the MFMA, which states as follows:

- 1) The municipal council must least 30 days before the start of the budget year consider approval of the annual budget.
- 2) An annual budget:
 - a) Must be approved before the start of the budget year.
 - b) Must be approved together with the adoption by the council of the resolutions as may be necessary for:
 - i) Imposing any municipal tax for the budget year.
 - ii) Setting any municipal tariffs for the budget year.
 - iii) Approving measures performance objectives for each vote in the budget
 - iv) Approving any changes to the municipality's integrated development plan and approving any changes to the municipality's budget-related policies.

The promulgation of the Municipal Finance Management Act has brought a profound effect on the local government operations as it necessitated changes and transformation in financial planning process. As the medium-term budget for 2017/2018 – 2019/2020 financial year is an expression of continuous process of improving the financial planning progress at municipal level and conform to formats and circulars sent by national Treasury.

Areas Identified in the MFMA

Integrated Development Plan

The plan guides the municipality in respect of the budgeting process and take account of community needs and their priorities in terms of the needs identified and service gaps. Consultation with community and other stakeholders play a major role in the development of the IDP.

Budget

The budget process started in September 2016 when council approved the budget time schedule. The budget was submitted to Council for tabling on 31 March 2017. Approval of the budget is envisaged to take place on 31 May 2017.

Annual Report

An annual report has been developed for 2015/2016 and tabled to council on 31 January 2017, and an oversight committee has been established to look into the matters of the Annual report.

In-year reporting

The municipality submits and provides financial reports as required in terms of the MFMA to various stakeholders as identified on an ongoing basis. The municipality has been implementing the provisions of the MFMA in accordance

Budget and Treasury offices

A budget and treasury office has been established in accordance with the MFMA. The Supply Chain Management Unit reports to the Chief Financial Officer. The position of Chief Financial Official is filled.

Supply Chain Management

The Supply Chain Management Policy has been approved by Council. The unit of Supply Chain Management is headed by the SCM Manager who report to the Chief Financial Officer. Three bid committees are in place the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee.

Audit Function

The municipality has a shared Internal Audit Unit with the district, with the audit charter, plan and programmes informed by the District's plan.

2.14 Municipal Manager's Quality Certificate

MUNICIPAL MANAGER QUALITY CERTIFICATE

I Municipal Manger of Greater Taung Local Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: **KT GABANAKGOSI**

Municipal Manager of **GREATER TAUNG LOCAL MUNICIPALITY**

Signature _____

Date _____

2.15 Other supporting documents

Documents attached as annexures are the following:

1. Greater Taung Local Municipality IDP Document
2. Greater Taung Local Municipality A1 Schedule
3. Greater Taung Local Municipality Tariff Schedule
4. All Budget Related and HR Policies on cd